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CIVIL ADMINISTRATION OF THE RYUKYU ISLANDS

REPORT FOR PERIOD 1 JULY 1970 TO 30 JUNE 1971

VOL XIX

(RCS CSCAMG-5)

HIGH COMMISSIONER OF THE RYUKYU ISLANDS

FOREWORD

The year in review was an eventful one, culminating in the signing on June 17, 1971 of the Reversion Agreement between the United States and Japan. Treating all aspects of the return to Japan of administrative rights over the Ryukyu and Daito Islands, this carefully negotiated Agreement will, when ratified and brought into effect, secure for the Okinawan people their long-sought goal of reincorporation in the Japanese homeland.

Preparations for a smooth and orderly turnover of civil authority to Japan at reversion were a major USCAR preoccupation throughout the year. Pursuant to a U.S. proposal of July 1970 in the U.S.-Japan-Ryukyus reversion Preparatory Commission, a substantial number of USCAR functions, mostly of advice and assistance to the Ryukyuan Government, were relinquished to the Japanese Government in late 1970. A progressive phasing down of the USCAR organization resulted in reduction of the American and Ryukyuan staff from 302 at the beginning of the year under review to 221 at the end. A further major step toward reversion was the election in November 1970 of the first postreversion Okinawan representatives to the National Diet of Japan.

The year was marked by growing Okinawan uncertainty and concern over the impact of reversion. Every adult Okinawan wondered how the shift to Japanese control would affect his job, the cost of living and other aspects of his existence. It was also a year of increasingly frequent strikes by the ZENGUNRO union of U.S. base workers, protesting reductions-in-force which the U.S. military services were obliged to carry out as a result of worldwide reductions in defense expenditures and force realignments. Crimes and traffic accidents involving Americans and Okinawans became an increasing source of friction, manifested most seriously in the Koza riots of December 1970. Overall, however, despite increased tensions and minority agitation against the U.S. bases, public order was effectively maintained by Ryukyuan and U.S. law enforcement agencies working in close cooperation.

The Ryukyuan economy continued to make impressive gains. Gross National Product rose nearly 16 percent to \$985.3 million, exceeded by an over 16 percent rise in per capita income to \$907, among the highest in Asia. Although U.S. direct aid was reduced with reversion in the offing, the United States continued to contribute greatly to the prosperous and growing economy. Base expenditures were approximately \$240 million, over 24 percent of the GNP, and U.S. financial input of all kinds, including tourism and sizable private investment, exceeded \$420 million.

Economic growth was accompanied by further increases in the demand for water and electric power. Construction proceeded on the Fukuji Dam and reservoir in northern Okinawa, with a planned water storage capacity ten times that now available. The importance of the Fukuji project, scheduled

for completion in late 1972, was highlighted by a serious drought in the summer of 1971 requiring two months of stringent water rationing. An additional generating unit boosted the rated capacity of the island power system to 417,600 kilowatts. U.S.-funded basic sewage treatment systems in the municipalities of Naha and Ginowan commenced full operation, and efforts to expand the number of households and villages served by the systems continued.

As Reversion Day drew nearer, advances on many fronts through effective U.S.-Japanese-Ryukyuan cooperation augured well for the future progress of the Okinawan people and the continued viability of the U.S. bases in U.S.-Japan mutual security interest.

Robert A. Fearey

ROBERT A. FEAREY
Civil Administrator

CIVIL ADMINISTRATION OF THE RYUKYU ISLANDS

REPORT FOR PERIOD 1 JULY 1970 TO 30 JUNE 1971

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Back Cover - Recent construction in the Ryukyu Islands.

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GLOSSARY OF TERMS

AFIA	American Foreign Insurance Association
AFRTS	Armed Forces Radio and Television Service
AIU	American International Underwriters
ALCOA	Aluminum Company of America
ATT	American Telephone and Telegraph Company
BOR	Bank of the Ryukyus
CA	Civil Administration
Caltex	California Texas Oil Corporation
CBAFF	Central Bank for Agriculture, Forestry and Fisheries
CGRA	Chinese Government Radio Administration
C&W	Cable and Wireless, Ltd.
CY	Calendar Year
DDEWP	Deputy Division Engineer, West Pacific
DOD	U.S. Department of Defense
DOMEI	Zen Nihon Rodo Sodomei (Japanese Confederation of Labor)
ELC	English Language Center
ENREN	Okinawa Engei Nogyo Kyodo Kumiai Rengokai (Okinawa Federation of Horticultural and Agricultural Co-operatives)
FEBC	Far East Broadcasting Company
FUKKIKYO	Okinawan-Ken Sokoku Fukki Kyogikai (Okinawa Prefecture Reversion Council)
FY	Fiscal Year
GENSUIKIN*	Nihon Gensui Baku Kinshi Kyogikai (Anti-Atomic and Hydrogen Bomb Council)
GENSUIKYO*	Gensui Baku Kinshi Okinawa-Ken Kyogikai (Anti-Atomic and Hydrogen Bomb Council)
GF	General Fund
GNP	Gross National Product
GOJ	Government of Japan
GRI	Government of the Ryukyu Islands
GUNKOWANRO	Gun Kowan Ro-So (Okinawa Stevedoring and Forwarding Employees Labor Union) (Military Port Workers Labor Union)
HEW	Department of Health, Education and Welfare
HF	High Frequency (shortwave)
HICOM	High Commissioner
IIWS	Integrated Island Water System
ITAC	U.S. Interagency Textile Administrative Committee
JASDF	Japan Air Self-Defense Force

*In Japan, the GENSUIKIN is affiliated with JSP, the GENSUIKYO with JCP; in Okinawa, there are two GENSUIKYO organizations--one affiliated with OSP and the other with OPP.

JCP	Japan Communist Party
JDA	Japan Defense Agency
JDSP	Japan Democratic Socialist Party
JFY	Japan Fiscal Year
JGSDF	Japan Ground Self-Defense Force
JICHIREN	Zen Nihon Jichidantai Rodo Kumiai Rengokai "Okinawa Shibu" ("Okinawa Branch" of the Federation of All-Japan Prefectural and Municipal Workers Union)
JLDP	Japan Liberal Democratic Party
JMSDF	Japan Maritime Self-Defense Force
JSDF	Japan Self-Defense Forces
JSLC	Joint Services Labor Committee
JSP	Japan Socialist Party
KAIIN	Zen Nihon Kaiin Kumiai "Okinawa Shibu" ("Okinawa Branch" of the All-Japan Seamen's Union)
KANKORO	Kankochō Rodo Kumiai (Government Employees Labor Union)
KDD	Kokusai Denshin Denwa (International Telegraph and Telephone Company)
KENROKYO	Okinawa-Ken Rodo Kumiai Kyogikai (Okinawa Prefectural Council of Trade Unions)
kHz	kiloHertz
KOROKYOTO	Kokyo Kankei Rodo Kumiai Kyoto Kaigi (Joint Struggle Council of Government and Public Office Employees Labor Union)
LPG	Liquid Propane Gas
MAC	Military Airlift Command
MG	Million Gallons
MHz	MegaHertz
MP	Military Police
NET	Nippon Educational Television
NHK	Nippon Hoso Kyokai (Japan Broadcasting Corporation)
NOREN	Ryukyu Nogyo Kyodo Kumiai Rengokai (Ryukyu Federation of Agricultural Cooperatives)
NSFO	Navy Special Fuel Oil
NTV	Nippon Television Company
OBONTA	Okinawa Bureau of the Okinawa-Northern Territories Agency
OH	Over-the-Horizon
OHK	Okinawa Hoso Kyokai (Okinawa Broadcasting Association)
OKIDENRO	Okinawa Denroku Rodo Kumiai (All-Okinawa Electric Power Workers Union)
OKINAWA-REN	Okinawa-Ken Sokoku Fukki Renraku Kyogikai (National Movement Liaison Council for the Return of Okinawa)
OLDP	Okinawa Prefectural Federation of the Japan Liberal Democratic Party (Okinawa Liberal Democratic Party)
ONTA	Okinawa-Northern Territories Agency
OPDC	Okinawa Power Distribution Company
OPP	Okinawa People's Party
ORE	Okinawa Regional Exchange
OSMP	Okinawa Socialist Masses Party

OSP	Okinawa Prefectural Headquarters of the Japan Socialist Party (Okinawa Socialist Party)
OTA	Okinawa Teachers Association
OTV	Okinawa Television Company
PAD	Public Affairs Department
PCP	Pentachlorophenol
PDF	Petroleum Distribution Fund
PFC	People's Finance Corporation
PL	Public Law
PMO	Prime Minister's Office
POL	Petroleum, Oil and Lubricants
PrepCom	Preparatory Commission
PX	Post Exchange
RAFP	Ryukyu Armed Forces Police
RAWC	Ryukyuan-American Welfare Council
RBB	Radio Regulatory Bureau
RBC	Ryukyu Broadcasting Corporation
RCAC	Radio Corporation of America Communications, Inc.
RDLC	Ryukyu Development Loan Corporation
RDWC	Ryukyu Domestic Water Corporation
REPC	Ryukyu Electric Power Corporation
RIF	Reduction-in-Force
RLHC	Ryukyu Land and Housing Corporation
RMA	Ryukyu Meteorological Agency
ROK	Radio Okinawa Company
RPC	Ryukyuan Property Custodian
RTTPC	Ryukyu Telegraph and Telephone Public Corporation
RTU	Ryukyu Travel Unit
SAFAsia	Special Action Forces, Asia
SOFA	Status of Forces Agreement
SOHYO	Nihon Rodo Kumiai Sohyogikai (General Council of Trade Unions of Japan)
STRATCOM	U.S. Army Strategic Communications Command
SWAL	Southwest Air Lines
UCMJ	Uniform Code of Military Justice
UHF	Ultra High Frequency
USAEDO	U.S. Army Engineer District, Okinawa
USAID	U.S. Agency for International Development
USARPAC	U.S. Army, Pacific
USARYIS	U.S. Army, Ryukyu Islands
USCAR	U.S. Civil Administration of the Ryukyu Islands
USG	U.S. Government
USIA	U.S. Information Agency
USIS	U.S. Information Service
VHF	Very High Frequency
VOA	Voice of America
VORTAC	VHF Omni-Range Tactical Air Navigation
WHO	World Health Organization
ZENCHURO	Zenkoku Churyu Gun Rodo Kumiai (All-Japan Garrison Forces Workers Union)

ZENGUNRO Zen Okinawa Gun Rodo Kumiai (All-Okinawa Military
Employees Trade Union)
ZENOKIROREN Zen Okinawa Rodo Kumiai Rengokai (Federation of
All-Okinawa Labor Unions)
ZENSEN DOMEI Zenkoku Seni Sangyo Rodo Kumiai Domei "Okinawa Shibu"
("Okinawa Branch" of the Japan Federation of Textile
Workers Union)

THE YEAR IN REVIEW

THE YEAR IN REVIEW*

Selected Chronology of the Year's Events 1 July 1970 - 30 June 1971

1970

- 1 Jul 70 The GRI Legislature approved a 45-day extension of its 42d Regular Session to 15 August 1970.
- 1 Jul 70 The PrepCom held its fourth meeting and agreed to commence comparative studies on the Status of Forces Agreement (SOFA) and existing U.S. ordinances and proclamations in preparation for the application of SOFA to Okinawa.
- 1 Jul 70 Executives of five Japanese aluminum companies, led by Ichiro Nakayama, chairman of the Japan Light Metals Association, arrived in Okinawa to study the feasibility of establishing an aluminum industry on Okinawa.
- 1 Jul 70 Tetsuo Takara was installed as president of the University of the Ryukyus, succeeding Sadao Ikehara.
- 1 Jul 70 Urasoe-son became the eighth city in the Ryukyu Islands.
- 3 Jul 70 Two resolutions on gas munitions were adopted unanimously by the GRI Legislature--one addressed to the U.S. Government protesting the U.S. Senate's adoption of the Gravel amendment on 29 June 1970 which bans the shipment of toxic chemical munitions from Okinawa and the other calling for the GOJ to negotiate with the United States for the early removal of the munitions from Okinawa.
- 4 Jul 70 Yusuke Kashiwagi, Finance Secretary, Finance Ministry, GOJ, departed for Washington to participate in the second round of discussions on the purchase by the Japanese Government of U.S. assets on Okinawa.
- 5 Jul 70 OSMP, at its central executive committee meeting, announced its support for Shinei Kyan, chairman of both OTA and FUKKIKYO, in the Japanese House of Councillors election scheduled for 15 November 1970.
- 6 Jul 70 Chief Executive Chobyō Yara, accompanied by Hiroshi Senaga, his Alternate Adviser to the PrepCom, departed for Tokyo to appeal to GOJ leaders for the removal of chemical munitions and the transfer of various U.S. assets under USCAR control to the GRI and the Ryukyuan people.

* See Glossary of Terms on pages xv through xviii.

- 6 Jul 70 The completion of the U.S.-funded Isahama Sewage Treatment Plant was marked by a dedication ceremony attended by representatives from the GRI and USCAR.
- 8 Jul 70 Secretary of State William P. Rogers, in his meeting with Japanese Foreign Minister Kiichi Aichi in Tokyo, emphasized that the recent rupture of U.S.-Japan negotiations on the textile issue will not exert any effect on the reversion of Okinawa and that the United States will do its utmost for the early withdrawal of chemical munitions from Okinawa.
- 9 Jul 70 A U.S. Air Force C-5 Galaxy, on an operational test flight, arrived for a 2-day stopover at Kadena Air Base.
- 12 Jul 70 Chief Executive Yara returned from Tokyo and stated that he was unable to obtain any concrete reply in his negotiations with Japanese officials as to the exact date of the removal of toxic chemical munitions from Okinawa.
- 13 Jul 70 Chairman Kyan and Business Manager Shizuo Heshiki of OTA visited USCAR and requested the release of 46,200 square meters of state and prefectural land located in Naha which had been leased to an American real estate company in 1963 under a 20-year contract.
- 13 Jul 70 The GRI Executive Branch concluded an agreement with KANKORO to protect the status of Ryukyuan government workers after reversion.
- 15 Jul 70 Japanese Foreign Minister Aichi and U.S. Ambassador to Japan Armin H. Meyer held their second meeting to discuss the drafting of the Okinawa reversion agreement. (The first Aichi-Meyer meeting was held on 5 June 1970.) Opinions were also exchanged on the removal of chemical munitions from Okinawa and on Far East security in connection with the planned reduction of U.S. Forces in the Republic of Korea.
- 15 Jul 70 Representatives of the Economic Development Council called on Chief Executive Yara and submitted a long-range economic promotion plan which aims at a Gross National Product of \$3.1 billion and a per capita income of \$2,492 by 1980.
- 15 Jul 70 KENROKYO decided at a meeting of its secretaries to support Kosuke Uehara, chairman of ZENGUNRO and JSP candidate, in the Diet election.
- 15 Jul 70 Kadena Air Base authorities announced the retraction of dismissal notices issued on 1 July 1970 to 63 Ryukyuan messhall employees.

- 19 Jul 70 The inaugural meeting of the Okinawa District DOMEI was held in Naha, attended by some 300 representatives of 12 unions which had seceded from KENROKYO.
- 20 Jul 70 Chief Executive Yara signed the "Diet Election Bill" and "Bill Providing for Immunity from Arrest of Okinawan Dietmen," which will go into effect on 1 August 1970.
- 21 Jul 70 The GRI Trade and Industry Department issued a foreign investment license to ALCOA for the construction of an aluminum plant on Okinawa.
- 21 Jul 70 The Public Safety Commission announced the dismissal of Naha Police Station Chief Chiko Hamakawa for his association with gangsters.
- 22 Jul 70 The completion of electrification of the three northern municipalities of Higashi, Ogimi, and Kunigami was celebrated at the Kunigami-son Office, with officials of REPC, GRI, and USCAR in attendance.
- 23 Jul 70 General Leonard F. Chapman, Commandant, U.S. Marine Corps, who arrived on the 22d, stated in a news conference that the strategic function of the U.S. bases on Okinawa will remain unchanged after reversion and that Okinawa is a permanent base for U.S. Marines.
- 27 Jul 70 Director Keisho Sunagawa of the GRI Trade and Industry Department approved Gulf Asian Terminals' application for a free trade zone designation and permission to operate in the zone.
- 29 Jul 70 Governor Ryokichi Minobe of Tokyo arrived for a 4-day visit at the invitation of Chief Executive Yara.
- 30 Jul 70 Former Foreign Minister Takeo Miki, upon his arrival in Naha on a 3-day observation trip, stated that the return of Okinawa with homeland-level bases, without nuclear weapons, was pledged between the United States and Japan and that this promise will be upheld.
- 31 Jul 70 JSLC announced the separation of 516 Ryukyuan military workers between 15 and 30 September 1970 as part of the Department of Defense program to curtail military expenditures.
- 31 Jul 70 Director General Sadanori Yamanaka of the Prime Minister's Office stated that the Japanese Government will appropriate \$263,880 as special solatia for Ryukyuan military workers affected by the RIF program.

- 31 Jul 70 At a meeting of GRI and military police officials, agreement was reached to improve joint investigative procedures for crimes involving U.S. Forces personnel and to set up a sub-committee to draft a revised memorandum of understanding.
- 1 Aug 70 CA Directive No. 1 was promulgated, which established Kinwan Port and authorized Gulf Asian Terminals, Inc., to exclusively operate and manage said port.
- 1 Aug 70 The birth of Nago City through the merger of five municipalities was celebrated with a ceremony and parade.
- 5 Aug 70 PrepCom held its fifth meeting and approved the U.S. proposal for a three-phase transfer of civil administration functions to the Japanese and Ryukyuan Governments.
- 5 Aug 70 The GRI Foreign Investment Examination Board approved an additional investment of \$675,000 in the Ryukyu Tokyu Hotel by Tokyu Dentetsu and a capital investment of \$200,000 in the local Ogoshi Department Store by Mitsukoshi Department Store of Japan.
- 7 Aug 70 A U.S. Army landing craft and a seagoing tug sailed from Naha Port carrying some 18,000 gallons of potable water for the drought-stricken residents of Ikema Island, Miyako Gunto.
- 7 Aug 70 Japanese Ambassador to the United States Nobuhiko Ushiba, who arrived in Okinawa on the 6th, met with Chief Executive Yara and discussed the chemical munitions problem, crimes involving U.S. Forces personnel, and transfer of USCAR-controlled assets to the Ryukyuan people.
- 7 Aug 70 JSLC turned down the request of ZENGUNRO for the retraction of dismissals issued to 516 base workers on the ground that the RIF program is necessitated by U.S. budget cutbacks and deficit operations of military clubs.
- 10 Aug 70 ZENGUNRO's ORE Chapter began a 5-day sit-down struggle demanding retraction of dismissal notices issued to 142 ORE workers and opposing the part-time and contract employment systems.
- 10 Aug 70 Foreign Minister Aichi, at an Upper House Okinawa-Northern Territories Special Committee meeting, stated that the GOJ had protested to the Republic of China the unilateral grant of rights to Pacific Gulf Oil Corporation to explore offshore oil reserves in the East China Sea area, including waters around the Senkaku Islands.
- 11 Aug 70 KOROKYOTO resorted to obstructive tactics to prevent legislative committee meetings on revision of the government employees' salary law.

- 12 Aug 70 The 170,000-kilowatt new Machinato Power Plant, constructed at a cost of \$20.4 million, was dedicated in a ceremony attended by U.S. and Ryukyuan officials.
- 13 Aug 70 Hiroshi Senaga, GRI Alternate Adviser to the PrepCom, held a news conference and announced that the GRI had submitted 32 items for consideration to the PrepCom, among which were the transfer of USCAR-held corporations, restoration of released military land to its original state, an employment formula for military base workers, and elevation of the University of the Ryukyus to a national university.
- 15 Aug 70 The current session of the legislature was reextended for 13 days until the 28th.
- 18 Aug 70 Some 100 Japanese delegates and 200 local representatives participated in the GENSUIKIN World Convention held in Naha.
- 18 Aug 70 USCAR announced an amendment to HICOM Ordinance No. 59, "Control of Narcotics," dated 22 September 1965, to ban the possession and use of LSD and three products of the poppy plant, effective 25 August 1970.
- 20 Aug 70 Chief Executive Yara approved the foreign investment application of five Japanese aluminum companies to establish a joint company on Okinawa.
- 21 Aug 70 USCAR announced that the employment of 41 employees of the USCAR Ryukyuan-American Cultural Centers located in Nago, Ishikawa, Miyako, and Yaeyama will be terminated as of 19 October 1970 and that grants from the High Commissioner's Fund for Special Assistance to Municipalities will be offered for operation of the centers as municipal activities from 19 October through 30 June 1971.
- 24 Aug 70 The transcript of the closed-door hearings of the Symington Subcommittee of the Senate Foreign Relations Committee held in January 1970 was made public, causing repercussions among Japanese and Ryukyuan political leaders over statements by Under Secretary of State U. Alexis Johnson to the effect that Japan would not necessarily reject the reentry of nuclear weapons into Okinawa after reversion in case of an emergency.
- 24 Aug 70 U.S. military forces on Okinawa and the GRI police jointly announced a nine-point basic program for strengthened cooperation, including improved procedures for joint investigations, notifications, and public information dissemination concerning incidents involving U.S. Forces personnel and Ryukyuans.

- 25 Aug 70 USCAR announced the rescission of HICOM Ordinance No. 33, "Administration of Mining and Prospecting Rights," dated 24 June 1960, and CA Ordinance No. 85, "Responsibility for Financial Institution Audits," dated 30 September 1952.
- 25 Aug 70 Prime Minister Eisaku Sato and Foreign Minister Aichi emphasized at a Cabinet meeting that no special agreement has been made with the United States in connection with the return of Okinawa other than the U.S.-Japan Joint Communiqué of 1969.
- 26 Aug 70 RDWC's new office building in Yamasato, Koza City, was dedicated in a ceremony attended by visiting Deputy Under Secretary of the Army David H. Ward, High Commissioner James B. Lampert, Chief Executive Yara, and other officials.
- 28 Aug 70 Legislative activities, which had been disrupted since 11 August by KOROKYOTO sit-down tactics, were finally resumed. The extension of the session until the 31st was approved.
- 29 Aug 70 The legislature's Budget and Audit Committee approved the FY 1971 General Account Budget amounting to \$200,780,511, \$1,538,961 less than the amount proposed by the Executive Branch.
- 30 Aug 70 ZENGUNRO held a central struggle committee meeting and decided to carry out a 48-hour work stoppage on 10-11 September 1970.
- 31 Aug 70 The 42d Regular Session of the legislature was brought to a close with the passage of the FY 1971 budget bills and the adoption of resolutions requesting the settlement of various reversion measures by the U.S. and Japanese Governments and the protection of Okinawa's territorial rights over the Senkaku Islands.
- 31 Aug 70 Ambassador Meyer and Foreign Minister Aichi held their third meeting and reached agreement on the outline of items to be included in the Okinawa reversion agreement.
- 3 Sep 70 OPP and OSP announced their major policies in connection with the forthcoming Diet election, in which they clarified their opposition to the reversion of Okinawa along the lines of the U.S.-Japan Joint Communiqué.
- 5 Sep 70 Civil Administrator Fearey, in a meeting with Chief Executive Yara, pointed out that utilization of the Isahama Sewage Treatment Plant was being hampered by the opposition of the local residents and sought the cooperation of the GRI in settling this problem.

- 6 Sep 70 Yutoku Toguchi, official OSMP candidate, defeated Gentsu Miyagi, official OLDOP candidate, in the Nago mayoral election, thus giving the reformists control of seven out of nine cities in the Ryukyus; namely, Naha, Koza, Ginowan, Urasoe, Nago, Hirara, and Ishigaki.
- 8 Sep 70 Officials of six economic organizations, including the Ryukyu Industrial Federation, Ryukyu Chamber of Commerce and Industry, and the Okinawa Management Association, formed the "Council to Promote the Development of Oil Resources Around Senkaku Islands" and will request USCAR and the GRI to take appropriate action to insure Okinawa's territorial rights over the Senkaku Islands.
- 9 Sep 70 KENROKYO Chairman Ryoshin Nakayoshi met with Chief Executive Yara and requested negotiations with U.S. authorities for retraction of the RIF program until such time as a responsible setup for Ryukyuan military workers can be established by Japan.
- 9 Sep 70 Chief Executive Yara met with Civil Administrator Fearey and requested the cancellation of RIF notices issued to Ryukyuan military employees and measures to counteract the reported raising of the Nationalist Chinese flag on one of the Senkaku Islands in early September 1970 by the crew of a Taiwanese experimental fishing vessel.
- 10 Sep 70 Robert J. McCloskey, U.S. State Department spokesman, stated at a news conference in Washington that any dispute arising over the Senkaku Islands should be settled between Japan and the Republic of China.
- 10 Sep 70 ZENGUNRO launched a 48-hour work stoppage to demand the complete retraction of dismissal notices, work-hour curtailment, and part-time and contract systems.
- 11 Sep 70 The Okinawa Times announced the results of its Ryukyu-wide survey conducted on 8-9 August 1970, which revealed that 48 percent of the respondents felt that reversion with nonnuclear, homeland-level bases will not occur and that 47 percent favored complete withdrawal of military bases after reversion.
- 12 Sep 70 Foreign Minister Aichi, in replying to questions posed by the Special Committee on Okinawa-Northern Territories, stated that the emergency deployment of Marine Expeditionary Forces from postreversion Okinawa will require prior consultation; that the GOJ policy is to discontinue all propaganda radio broadcasts, such as VOA; that there is no need for talks with any country regarding Japan's territorial rights over the Senkaku Islands; and that diplomatic negotiations with the Republic

of China will be confined to the problem of the continental shelf.

- 12 Sep 70 JDSP announced the results of its survey conducted in Naha in August, which showed that 64.4 percent of 522 Naha citizens questioned felt uneasy about their livelihood after reversion, and that 59 percent supported the gradual retrenchment of bases against 28 percent who favored immediate and complete removal of the bases.
- 13 Sep 70 Incumbent Mayor Takeshi Hirakawa, official OLDP candidate, was reelected in the Ishikawa mayoral election, defeating Bunkichi Taira who was supported by the Reformist Joint Struggle Council.
- 15 Sep 70 GRI police removed the Nationalist Chinese flag which had been raised on Uotsuri Island of the Senkaku Group.
- 16 Sep 70 A nine-member legislative delegation, headed by Choko Kuwae, departed for Tokyo to appeal to Prime Minister Sato and Japanese leaders on various reversion measures and the protection of territorial rights over the Senkaku Islands, in accordance with the two resolutions adopted by the legislature on 31 August.
- 16 Sep 70 Chief Executive Yara disclosed that the Civil Administrator had received a cable from the Department of Defense to the effect that Secretary of Defense Melvin R. Laird, in his meeting with Director General Yasuhiro Nakasone of the GOJ Defense Agency in Washington on 14 September, expressed his hope to remove the chemical munitions from Okinawa toward the end of this year or early next year and that Johnston Island is a probable new site but that many problems remain to be settled before a final decision on Johnston Island is made.
- 16 Sep 70 Leaders of the three reformist parties (OSMP, OSP, and OPP) met with OTA Chairman Kyan and agreed to support him as the unified reformist candidate in the House of Councillors election.
- 17 Sep 70 Japanese Education Minister Michita Sakata, following an 8-hour stay in Okinawa, stated that Okinawa's present elective system for school boards should be changed to an appointive system upon reversion and added that political activities by teachers are not desirable.
- 18 Sep 70 The Central Board of Education issued a protest statement against Minister Sakata's remarks and pointed out that the Education Minister had not heard the opinions of the local education groups, nor had he studied the special circumstances surrounding Okinawan education. Similar protests

were also lodged by OTA, the Okinawa Senior High School Teachers Labor Union, KENROKYO, and the three reformist parties.

- 18 Sep 70 The Okinawa Prefecture Senkaku Oil Resources Development Promotion Council, comprised of 46 economic, private, and welfare organizations, was formally inaugurated with Mayor Ryosho Taira of Naha City as chairman.
- 18 Sep 70 Newly elected Mayor Zen Fukumura of Irabu-son paid a courtesy call on Chief Executive Yara and requested the suspension of the planned construction of a pilot training center on Shimoji Island because of the opposition of 70 to 80 percent of the inhabitants.
- 21 Sep 70 Chief Executive Yara signed and promulgated the bill revising the Administrative Organization Law, effective 1 October 1970, which included, among other revisions, the creation of a Reversion Measures Office under the Deputy Chief Executive; the establishment of an office in the General Affairs Department to deal with public nuisances and juvenile problems; the downgrading of the Miyako and Yaeyama District Offices to branch offices; and the establishment of a Liaison Section in the GRI Labor Department to work with the U.S. Forces.
- 22 Sep 70 Trans World Airlines filed a foreign investment application with the GRI for the operation of passenger ticket sales and freight services.
- 22 Sep 70 ZENGUNRO was informed by JSLC of the cancellation of dismissals of 236 employees out of the 516 originally announced on 31 July.
- 22 Sep 70 The Central Election Administration Commission decided to hold a by-election in the 1st electoral district on 1 November 1970 to fill the vacancy created by the resignation of Legislator Kosho Kokuba who will be running as a candidate in the Diet election.
- 22 Sep 70 A protest rally was held in Itoman to demand immediate punishment of a serviceman involved in the traffic death of Mrs. Toyo Kinjo, a housewife, on 18 September 1970.
- 24 Sep 70 Civil Administrator Fearey disclosed in a meeting with Chief Executive Yara that all but one of the B-52 strategic bombers at Kadena Air Base had been withdrawn in the past few days; that the one B-52 still remaining would depart as soon as repairs were completed; and that the withdrawal of the bombers would not preclude their redeployment to Okinawa in the future if necessity arises.

- 28 Sep 70 Chief Executive Yara met with the Civil Administrator and discussed the fatal traffic accident in Itoman-cho. He also requested the suspension of paradrop training exercises on Ie-Shima and the prevention of the outflow of weapons and narcotics from the military bases.
- 29 Sep 70 The Ryukyu Oil Corporation celebrated the 20th anniversary of its establishment.
- 1 Oct 70 USCAR issued a statement questioning the propriety of the GRI utilizing funds from the Unemployment Insurance Fund for the construction of its vocational training center in Chatan-son.
- 1 Oct 70 The GRI Executive Branch reshuffled 876 of its personnel in preparation for reversion in accordance with the recently revised Administrative Organization Law.
- 3 Oct 70 Director Sunagawa of the GRI Trade and Industry Department announced to the press that the construction of Japan's pilot training center on Shimoji Island, Miyako Gunto, will proceed as planned and that a land survey will be undertaken within the month.
- 5 Oct 70 Chief Executive Yara, in commenting on the policy recently worked out and submitted to the GOJ by the GRI Executive Branch to switch Okinawa's elective school board system to an appointive system after reversion, stated that the policy is not final and will be revised in the course of adjustments with the GOJ after hearing the opinions of the prefectural people and the Central Board of Education.
- 6 Oct 70 Chief Executive Yara formally accepted the resignation of Eiharu Nakamura, Director of the GRI General Affairs Department, and nominated him president of the Ryukyu Land and Housing Corporation.
- 7 Oct 70 Chief Executive Yara met with KANKORO leaders and confirmed his intention of appointing Kiyoshi Tomikawa, official of the GOJ Autonomy Ministry, as the new Director of the General Affairs Department and requested KANKORO's cooperation.
- 7 Oct 70 Director General Yasuhiro Nakasone of the GOJ Defense Agency arrived in Okinawa for a 2-day visit at the invitation of Lt. Gen. Gordon M. Graham, Commander, U.S. Forces, Japan.
- 7 Oct 70 FUKKIKYO, following a demonstration at the Naha Civil Air Terminal, issued a statement protesting the visit of Director General Nakasone and demanding his immediate departure from Okinawa.

- 8 Oct 70 Visiting Director General Nakasone briefed Chief Executive Yara on his recent talks with Secretary of Defense Laird and explained the views of the Japanese Government on the stationing of the Japan Self-Defense Forces on Okinawa after reversion. In a predeparture news conference the same day, Director General Nakasone noted the important functions of the U.S. bases in Okinawa and stated that Okinawa must take this into consideration in formulating its blueprint for Okinawa Prefecture. He further expressed his belief that the majority of the prefectural people were not opposed to the stationing of the Self-Defense Forces on Okinawa.
- 8 Oct 70 Ambassador Meyer and Foreign Minister Aichi conferred in Tokyo on the Okinawa reversion agreement, Vietnam situation, and the Prime Minister's planned visit to the United States.
- 8 Oct 70 The new Naha Bridge, connecting Oroku and Tsubogawa, was opened in a ceremony attended by Civil Administrator Fearey, Chief Executive Yara, and other officials.
- 9 Oct 70 The Central Board of Education adopted a resolution requesting the retention of the present school board system after reversion.
- 9 Oct 70 The new eight-story Okinawa Mitsukoshi Department Store in Naha was officially opened with a gala ceremony.
- 10 Oct 70 The GOJ Finance Ministry decided to approve the activities of the Bank of America and the American Express Bank on Okinawa after reversion.
- 10 Oct 70 FUKKIKYO issued a protest statement against the visit of Foreign Minister Aichi on the 11th, stating that reversion preparations are being conducted secretly by the U.S. and Japanese Governments without the participation of the prefectural people.
- 11 Oct 70 Foreign Minister Aichi, upon his arrival in Naha, stated that preparations are progressing smoothly for the return of Okinawa in 1972 with nuclear-free, homeland-level bases and that a reversion agreement outline will be completed by mid-1971.
- 12 Oct 70 In a meeting with Chief Executive Yara, Foreign Minister Aichi explained the progress of the Okinawa reversion negotiations and heard the GRI requests for the settlement of such problems as the status of military bases after reversion, employment of military workers, and the stationing of Self-Defense Forces on Okinawa.
- 12 Oct 70 Foreign Minister Aichi, prior to his departure for Tokyo, told the press that High Commissioner Lampert promised to respect

the principle of "reversion with homeland-level bases without nuclear weapons" and to cooperate positively toward this end.

- 12 Oct 70 Kadena Air Base Headquarters announced the cancellation of contracts concluded with local hotel and apartment owners for the lease of 1,000 rooms for Air Force personnel on temporary duty, effective 29 December 1970.
- 12 Oct 70 Chief Executive Yara announced the appointment of Kiyoshi Tomikawa, GOJ Autonomy Ministry official and a native of Okinawa, as the new Director of the GRI General Affairs Department.
- 14 Oct 70 The Foreign Investment Board recommended the approval of the foreign investment applications submitted by the Morinaga Dairy Products Company and Nihon Paint Company of Japan for joint ventures with local companies.
- 15 Oct 70 The GOJ Okinawa-Northern Territories Agency announced the re-assignment of Okinawa Bureau Director Sakae Kishi to the post of Secretariat Chief, Autonomy Ministry, and the assignment of Yasumori Kato, Chief of the General Affairs Division, ONTA, as his successor.
- 16 Oct 70 The GRI Trade and Industry Department issued an order to Foremost Dairies (Blue Seal) to suspend the production and sale of yogurt on the ground that the product is not specified in its foreign investment license.
- 16 Oct 70 The PrepCom held its sixth meeting and approved a progress report covering 17 advisory, assistance, and supervisory functions to be relinquished by the United States to the GOJ at a time to be agreed upon as soon as possible. Chief Executive Yara also submitted a written request for the solution of problems pertaining to military base workers and for the release of state and prefectural land.
- 17 Oct 70 The 313th Air Division announced that 92 Ryukyuan nonappropriated fund employees will be dismissed shortly due to the curtailment of operations.
- 20 Oct 70 Representatives of the Okinawa Federation of Owners of Military-Used Land, headed by Teishin Higa, submitted a 17-item request to Chief Executive Yara, which included an increase in land rentals and opposition to the application of a master lease formula after reversion.
- 21 Oct 70 Director General Nakasone of the Defense Agency, in replying to questions at a meeting of the Diet's Upper House Special Committee on Okinawa-Northern Territories, stated that,

although the consolidation of military bases is desirable, the livelihood of the military employees will be threatened unless it is carried out gradually; no additional land will be requisitioned for the stationing of Japan Self-Defense Forces on Okinawa; and there will be no joint use of bases by the U.S. and Japanese Forces.

- 22 Oct 70 Yasumori Kato, newly appointed Chief of the Okinawa Bureau, ONTA, arrived in Naha to assume his post.
- 22 Oct 70 The results of the Ryukyu Shimpō public opinion survey conducted on 1-5 October 1970 revealed that 64 percent of the respondents were distrustful of the GOJ statement of a nuclear-free reversion; 50 percent approved the deployment of the Japan Self-Defense Forces to Okinawa; and 52 percent entertained uneasiness toward reversion.
- 22 Oct 70 OSMP, at its election measures committee meeting, confirmed its policy of not affiliating with any Japanese political party.
- 23 Oct 70 The Central Election Administration Commission officially announced that the first postwar Diet election on Okinawa will be held on 15 November 1970 and accepted the registration of candidacy by Tsumichiyo Asato (OSMP), Eikichi Tomori (Komei-To), Junji Nishime (OLDP), Kamejiro Senaga (OPP), Yasukuni Yamakawa (OLDP), Kosuke Uehara (OSP), and Kosho Kokuba (OLDP) for the House of Representatives; Shinei Kyan (Reformist Joint Struggle Council), Keiryō Shimozato (Independent), and Ichiro Inamine (OLDP) for the House of Councillors.
- 23 Oct 70 The Reformist Joint Struggle Council, headed by Shinei Kyan, formally registered as a political organization and named Genshu Asato to the post of chairman of its Election Measures Committee and Hiroaki Fukuchi as secretary general.
- 23 Oct 70 GOJ Agriculture and Forestry Minister Tadao Kuraishi, who arrived in Okinawa to support Liberal Democratic candidates in the Diet election, stated upon his arrival that the problems of the B-52's and military bases should be considered from the national and not the local point of view and that the military bases on Okinawa were established on the basis of Japan's national will pursuant to the Peace Treaty.
- 24 Oct 70 The three reformist government parties, as well as Komei-To, the Reformist Joint Struggle Council, FUKKIKYO, KANKORO, and GENSUIKYO, issued statements of protest against Minister Kuraishi's remarks.
- 24 Oct 70 Prime Minister Sato met with President Nixon in Washington and exchanged opinions on U.S.-Japan trade, the international

situation, and the progress being made on the conclusion of the Okinawa reversion agreement.

- 26 Oct 70 The GRI Executive Branch, at a meeting of its department directors, decided to request the maintenance of the present elective system for school board members after reversion and to retract its earlier proposal to the GOJ that an appointive system be put into effect after a transitional period.
- 28 Oct 70 The third round of U.S.-Japan negotiations on the purchase of U.S. assets on Okinawa, which began on 27 October in Tokyo, was concluded with the presentation by the U.S. representative of data covering the three USCAR corporations and navigational aid facilities. The fourth round of negotiations will be held in Washington in January 1971.
- 28 Oct 70 USCAR announced that the U.S. Department of Commerce had agreed to extend the export quota for Ryukyuan cotton textiles through 30 June 1972, or such earlier date as will correspond with the date of reversion of the Ryukyu Islands to Japan.
- 29 Oct 70 Prime Minister Sato was elected to his fourth term as president of the JLDP.
- 30 Oct 70 The Ryukyu Fishery Federation decided to request USCAR and the GRI for the retraction of CA Directive No. 1 which granted control and operational rights in the Kin Bay area to Gulf Asian Terminals, Inc.
- 1 Nov 70 Matsuji Miyazato, official candidate of the OLDLP, defeated Isamu Yamakawa, reformist candidate, in the legislative by-election in the 1st electoral district (Kunigami, Ogimi, and Higashi).
- 2 Nov 70 Chief Executive Yara appointed Hiroshi Senaga, Alternate Adviser to the PrepCom, as Chief of the GRI Reversion Measures Office.
- 2 Nov 70 The GOJ Autonomy Ministry announced that Yoshio Onodera and Takuo Hirao, Chief and Assistant Chief of the General Affairs Section, respectively, will be assigned to Okinawa to work as councillors in the GRI Executive Branch.
- 2 Nov 70 Mayor Ryosho Taira and Deputy Mayor Seichin Inamine of Naha City called on Civil Administrator Fearey and requested the release of military-leased land in Uenoya, Naha City, for use as a site for a national athletic meet to commemorate the reversion of Okinawa.
- 4 Nov 70 Foremost Dairies, in a meeting with GRI Trade and Industry Department officials, agreed to suspend production and sale of yogurt.

- 8 Nov 70 Kazuhiro Shimoji (OLDP) defeated Toshimori Miyaguni (OSMP) in the Ueno-son (Miyako) mayoral election.
- 8 Nov 70 Ichiro Matayoshi, official OPP candidate, won the Tomigusukuson mayoral election, defeating conservative candidate Tokusuke Oshiro.
- 9 Nov 70 The PrepCom held its seventh meeting and concurred in the transfer of 14 items of civil administration functions to the Japanese Government on 1 December 1970.
- 9 Nov 70 Chief Executive Yara submitted a four-item proposal to the PrepCom: clarification of the U.S. assets to be taken over by Japan; transfer of RDLC to the GRI; proper handling of military-used land, including increased land rentals, restoration of released land to its original state, and conclusion of lease contracts with individual landowners; and compensation for property damage and bodily injuries.
- 12 Nov 70 Chief Executive Yara held a news conference following his meeting with the Civil Administrator on the port control rights granted to Gulf Asian Terminals and reported that, according to USCAR, the objective of Directive No. 1 is to insure the navigational safety of Gulf's oil tankers in the Kinwan area; that Gulf is obligated to observe strict safety and anti-pollution control standards; and that it was not intended to establish vested rights after reversion nor to contravene GRI laws.
- 15 Nov 70 The first postwar Diet election was held at 256 polling booths throughout the Ryukyus. Elected to the House of Representatives were: Junji Nishime (OLDP), Kamejiro Senaga (OPP), Kosuke Uehara (OSP), Kosho Kokuba (OLDP), and Tsumichiyo Asato (OSMP); to the House of Councillors: Shinei Kyan (Reformist Joint Struggle Council) and Ichiro Inamine (OLDP).
- 16 Nov 70 At the fifth Aichi-Meyer meeting it was decided that the U.S.-Japan Consultative Committee would meet on 19 November to act on the partial transfer of USCAR functions, which was earlier proposed by the PrepCom, and to discuss the next fiscal year's Japanese aid program for Okinawa.
- 17 Nov 70 Foreign Minister Aichi, in replying to questions before the Lower House Foreign Affairs Committee, stated that the Gulf Asian Terminals' port authority in Kinwan will become invalid after reversion.
- 18 Nov 70 The new Naha Civic Auditorium in Yogi, Naha, was formally dedicated.

- 18 Nov 70 A nine-point revised Memorandum of Understanding, which expands the rights of GRI police in investigating crimes committed by U.S. Forces personnel, was formally signed by military, GRI, and USCAR representatives.
- 19 Nov 70 The 20th U.S.-Japan Consultative Committee meeting concerning Okinawa was held in Tokyo, and the transfer of 14 USCAR functions to the GOJ on 1 December 1970 was approved with partial modifications.
- 20 Nov 70 Three top-ranking KANKORO officials, Ryoshin Nakayoshi, Sakae Nakamura, and Sanehide Towaka, tendered their resignations in a dispute involving union personnel matters.
- 20 Nov 70 The four newly elected reformist Dietmen, Kamejiro Senaga, Kosuke Uehara, Tsumichiyo Asato, and Shinei Kyan, departed for Tokyo to attend the extraordinary Diet session scheduled to convene on 24 November 1970.
- 20 Nov 70 The Japanese Government, at its Cabinet meeting, approved Part 1 of its "Outline of Okinawa Reversion Measures," which includes the application of Japanese law to the education system, elevation of the University of the Ryukyus to the status of a national university, enforcement of a medical insurance system applicable to all inhabitants, currency conversion at the time of reversion, retention of the consumer rice price, adoption of a free port system, and the temporary retention of the right-hand traffic system.
- 20 Nov 70 Chief Executive Yara, as well as the OSMP, OPP, OSP, and Ko-me-i-To, expressed strong objection to the GOJ decision to apply the Japanese appointive system to education board members as revealed in Part 1 of the Outline of Okinawa Reversion Measures.
- 24 Nov 70 The 64th Extraordinary Session of the Japanese Diet was convened with the participation of seven representatives from Okinawa for the first time in 28 years.
- 24 Nov 70 Chief Executive Yara departed for Tokyo to attend the Diet session as an observer and to request reconsideration by the GOJ of its proposed appointive system for school board members on Okinawa after reversion.
- 24 Nov 70 The GRI Executive Branch announced an average increase of 39.7 percent in taxi fares, effective 2 December 1970.
- 26 Nov 70 The registration of candidates for the legislative by-elections in the 4th, 21st, and 22d electoral districts scheduled for 6 December 1970, which were necessitated by the resignations of

legislators running in the Diet election, was officially closed; and the uncontested election of Seijin Toguchi, OLDP candidate and former mayor of Motobu-cho, in the 4th district was confirmed.

- 1 Dec 70 Chief Executive Yara returned from negotiations in Tokyo and stated that retention of the school board system in line with "the desires of the prefectural people" would be difficult.
- 2 Dec 70 Climate Control Company, an American-operated firm, issued dismissal notices to 201 of its employees because of the curtailment of operations.
- 3 Dec 70 Director General Yamanaka, at a meeting of the House of Representatives Special Committee on Okinawa-Northern Territories, stated that the GOJ is considering a 5-year transitional period with respect to the application of various Japanese systems to Okinawa but added that the Japanese traffic system will be put into effect 3 years after reversion.
- 4 Dec 70 The People's Republic of China, over Peking Radio, claimed territorial rights over the Senkaku Islands.
- 4 Dec 70 Foreign Minister Aichi, replying to interpellations by Dietmen Nishime and Uehara from Okinawa, stated that the basic GOJ position is to effect the return of Okinawa in 1972 with homeland-level bases and that the entry of nuclear weapons would be subject to prior consultations and would be rejected by Japan.
- 5 Dec 70 Secretary of Defense Laird announced in Washington that 150 tons of chemical munitions will be moved from Okinawa to Johnston Island shortly and that the removal of the remainder will begin by the end of 1971 or early 1972 when the storage facilities on Johnston Island are completed.
- 6 Dec 70 Anken Uezu (OLDP) and Masayoshi Asato (OSMP) were victorious in the legislative by-elections in the 21st and 22d electoral districts, respectively.
- 7 Dec 70 Chief Executive Yara met with Civil Administrator Fearey and expressed his dissatisfaction over the announcement that only 150 tons of toxic chemical munitions were involved in the first shipment and requested the early removal of all munitions from Okinawa and clarification of the transportation route and safety measures to be taken.
- 8 Dec 70 Chief Executive and Mrs. Yara departed for a 10-day tour of Hawaii at the invitation of Hui Makaala (an organization of Americans of Okinawan ancestry in Hawaii).

- 10 Dec 70 Representatives of the five Japanese aluminum companies announced to the press that an "Okinawa Aluminum Company" will be established with a capital of \$1.2 million, and that completion of the plant is scheduled for sometime in 1972.
- 10 Dec 70 A general court-martial was convened to try Petty Officer 3d Class Tommy L. Ward on charges of vehicular negligence resulting in the death of a housewife in Itoman on 18 September 1970.
- 10 Dec 70 The GOJ fixed the purchase price of Okinawan sugar at \$240 per ton, an increase of \$8.33 over the previous year.
- 11 Dec 70 The announcement of Petty Officer Ward's acquittal by a general court-martial evoked strong criticism from Deputy Chief, Executive Choko Chinen and other political leaders.
- 11 Dec 70 USARYIS held a briefing for representatives of the GRI and political parties on "Operation Red Hat" (code name for the removal of chemical munitions from Okinawa) and clarified the route and safety measures for the operation.
- 14 Dec 70 Deputy Chief Executive Chinen called on Civil Administrator Fearey and strongly protested the acquittal of Petty Officer Ward and requested a retrial and transfer of court jurisdiction to the GRI.
- 14 Dec 70 The USCAR Land Tribunal turned down the claim of the Yomitan Fishery Cooperative for the payment of some \$597,000 for loss of income due to military maneuvers in the waters around Zampa Misaki (Bolo Point) on the ground that the cooperative had neither a valid nor compensable fishing right under applicable law in these waters.
- 15 Dec 70 USCAR observed the 20th anniversary of its establishment.
- 16 Dec 70 A "Poison Gas Removal Measures Headquarters," headed by Chief Executive Yara, was formally established within the GRI Executive Branch.
- 16 Dec 70 The Itoman-cho Assembly adopted a resolution protesting the acquittal of Petty Officer Ward. A protest rally was held at the Itoman Elementary School, sponsored jointly by the Itoman Military Crimes Impeachment Council and FUKKIKYO.
- 17 Dec 70 The Shi-Cho-Son Assembly Chairmen's Association (headed by Hisakichi Ikehara) unanimously adopted resolutions requesting the immediate and complete removal of "poison gas" from Okinawa and the retrial of Petty Officer Ward.

- 17 Dec 70 The "Okinawa Dietmen's Club" was formally inaugurated by the seven Dietmen from Okinawa, with Tsumichiyo Asato named as chairman.
- 18 Dec 70 USCAR officials held a press conference and pointed out that the pollution of Hija and Nagata Rivers as the result of the indiscriminate disposal of nightsoil is constituting a serious health hazard and warned of the possible suspension of water supply if the practice is continued.
- 18 Dec 70 KANKORO held its annual election and reelected Ryoshin Nakayoshi as chairman and Sanehide Towaka as secretary general.
- 18 Dec 70 High Commissioner Lampert, in a meeting with legislative representatives on the munitions removal operation and the acquittal of Petty Officer Ward, clarified the following: USCAR has accepted a GOJ request to dispatch five specialists to Okinawa to observe the first shipment of 150 tons of mustard gas; the GRI will be notified well in advance of the date of shipment; there is no need for evacuation of the inhabitants; and a retrial of the Itoman traffic case is not possible.
- 20 Dec 70 A minor traffic accident triggered a riot in Koza City, which resulted in the burning of some 80 American-owned automobiles and damage to five classrooms in Kadena Air Base.
- 20 Dec 70 High Commissioner Lampert, in a statement broadcast over TV and radio, stated that, although the Koza riot may be attributable in part to the public resentment over the recent acquittal of a U.S. Navy petty officer, there can be no possible excuse for rioting in the streets, endangering peaceful citizens, and destroying property. The High Commissioner stated that the rioters may also have been influenced by concern and resentment over the chemical weapons stored in Okinawa; that plans for the removal of an initial increment of 150 tons have been completed and that the only development which would forestall these plans would be a threat of interference with or sabotage of the removal operation, and that he will not authorize commencement of the operation unless he was satisfied that no significant threat of this kind exists.
- 21 Dec 70 The Naha City Assembly adopted a resolution denouncing the United States in connection with the Koza incident. Similar resolutions were also adopted by the Koza and Misato-son Assemblies.
- 22 Dec 70 The Office of the High Commissioner announced that, as a result of the reduction and realignment of bases, the Okinawa military work force will be reduced by about 3,000 Ryukyuan and 5,000 U.S. military and civilian personnel by 30 June 1971.

- 22 Dec 70 The 3d Marine Division Headquarters at Camp Courtney notified the GRI of its plans to use some 650 hectares of military-leased land in Kunigami-son, northern Okinawa, for live-firing practice.
- 22 Dec 70 OTA, at its board meeting, decided that it would adopt a policy of noncooperation and reject all participation in friendship programs with U.S. military and/or civilian personnel.
- 22 Dec 70 Ambassador Meyer and Foreign Minister Aichi held their regular meeting to discuss reversion negotiations and agreed that the removal of chemical munitions and preparatory work on the reversion agreement will not be affected by the Koza incident.
- 22 Dec 70 KENROKYO held its 14th annual convention and among the primary objectives adopted were: opposition to the U.S.-Japan Joint Communique and reversion preparations which do not reflect the will of the prefectural people; complete removal of chemical and nuclear weapons from Okinawa; and opposition to the assignment of Japan Self-Defense Forces to Okinawa. Incumbents Ryoshin Nakayoshi, chairman, and Moriaki Ota, secretary general, were reelected.
- 23 Dec 70 High Commissioner Lampert, in a meeting with visiting Dietmen Kosuke Uehara (OSP) and Ichiro Watanabe (Komei-To), stated that the removal of chemical munitions will be carried out as announced in accordance with fixed policy and that he wished to correct the impression created by the translation of his statement on 20 December that the operation may be suspended.
- 23 Dec 70 Officials of Kunigami-son and the GRI Agriculture and Forestry Department requested the 3d Marine Division to suspend its plans for a live-firing range in Kunigami-son.
- 23 Dec 70 A new vocational training center was opened in Yoshihara, Chatan-son, to provide technical training for dismissed employees.
- 24 Dec 70 The 43d Extraordinary Session of the GRI Legislature was convened, and resolutions were adopted requesting the immediate and complete removal of chemical munitions; the transfer of investigative rights and court jurisdiction over cases involving U.S. servicemen and civilians to the GRI; and the suspension of the planned construction of a live-firing range in Kunigami-son. A seven-man legislative delegation was selected to carry these resolutions to Japan.
- 24 Dec 70 Military officials briefed Chief Executive Yara on the munitions removal plan and clarified that Japanese scientists will

be allowed to observe the operation; the chemical formula of the three types of chemical munitions stored here will be made available to the GRI; and no gas masks will be distributed to the residents along the transportation route.

- 24 Dec 70 Some 1,200 Shuri Senior High School students visited USCAR to file a protest in connection with the Koza incident.
- 24 Dec 70 Chief Executive Yara departed for Tokyo to appeal to GOJ and U.S. officials for the transfer of jurisdiction over crimes committed by U.S. Forces personnel to GRI courts, suspension of the construction of a firing range in Kunigami-son, and immediate removal of chemical munitions from Okinawa.
- 28 Dec 70 Mayor Chojo Oyama and other officials of Koza City called on Deputy Chief Executive Chinen and requested negotiations with the military for the lifting of "Condition Green" in Koza which was seriously affecting the city's economy.
- 31 Dec 70 The 3d Marine Division announced the suspension of its scheduled firing practice at Kunigami-son because of the opposition of the local inhabitants.

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- 2 Jan 71 Chief Executive Yara, in his New Year's press conference, noted the significance of 1971 as a year for finalizing reversion preparations and asked for the cooperation of all the prefectural people in order to fully reflect their will in the reversion measures.
- 4 Jan 71 Kadena and Naha Air Bases commenced the issuance of dismissal notices to 615 Ryukyuan employees in accordance with the reductions-in-force announced by JSLC in December 1970.
- 5 Jan 71 Naha Air Base Office of Information announced that the 374th Tactical Airlift Wing Headquarters will be deactivated by 30 June 1971.
- 5 Jan 71 High Commissioner Lampert announced that GRI representatives will be invited to observe U.S. military courts-martial involving local community interests in order to make possible a better understanding within the Ryukyuan community of U.S. military justice procedures.
- 5 Jan 71 The GRI Poison Gas Removal Measures Headquarters decided to invite five specialists from Japan and to prepare for the evacuation of inhabitants along the transportation route in case of emergency.

- 5 Jan 71 Misato-son officials announced that the villagers plan to obstruct "Operation Red Hat" if the planned transportation route is not changed.
- 6 Jan 71 Chief Executive Yara called on High Commissioner Lampert and submitted a nine-item request including the rerouting of the munitions movement to avoid residential areas and permission for Japanese specialists to check gas containers and the loading and unloading of the munitions during "Operation Red Hat."
- 6 Jan 71 ZENGUNRO decided at its central struggle committee meeting to carry out a series of work stoppages, with the first to commence in early February, to demand retraction of the U.S. plan to dismiss 3,000 Ryukyuan military workers by 30 June 1971.
- 7 Jan 71 Maj. Gen. J. J. Hayes, Commanding General of the 2d Logistical Command and official in charge of "Operation Red Hat," held a news conference and stated that the removal operation will commence on the 11th.
- 8 Jan 71 The GRI police arrested 10 persons on suspicion of creating a riot in connection with the Koza incident on 20 December 1970.
- 8 Jan 71 The Japanese Government, at its Cabinet meeting, approved the appointments of Renpei Kuriyama as Deputy Director General of the Prime Minister's Office, succeeding Norio Iwakura, and Shuichi Okabe as Director General of the Okinawa-Northern Territories Agency, succeeding Kokichi Yamano.
- 10 Jan 71 Chief Executive Yara requested High Commissioner Lampert to postpone the gas removal operation scheduled for the 11th because of the decision of Misato-son officials and members of FUKKIKYO and OTA to block the shipment by force. The U.S. Department of Defense approved postponement of the operation for 2 days until 13 January.
- 10 Jan 71 ZENGUNRO concluded its 21st regular convention and confirmed its position to fight against the U.S. military rationalization policy. Isamu Yoshida was elected chairman of the union.
- 12 Jan 71 The GRI Executive Branch decided to make transportation available to those who wished to evacuate and to pay for the expenses incurred by individuals evacuating on their own during "Operation Red Hat."
- 12 Jan 71 The Misato-son Gas Removal Safety Measures Committee agreed to permit the initial shipment of chemical munitions based on the GRI policy to cooperate in the evacuation of the inhabitants and to change the transportation route for the next shipment.

- 13 Jan 71 The transportation of the first shipment of 150 tons of mustard gas from Chibana Ammunition Depot to Tengan Pier was successfully completed and loading of the munitions aboard the "James E. Robinson" commenced a little past noon. The transport was scheduled to depart for Johnston Island on 14 January.
- 13 Jan 71 Director General Yamanaka of the Prime Minister's Office, accompanied by Director General Shuichi Okabe of the Okinawa-Northern Territories Agency, arrived in Okinawa for consultations.
- 14 Jan 71 Directors General Yamanaka and Okabe called on Chief Executive Yara and exchanged opinions on the early removal of chemical munitions, transfer of jurisdiction over crimes committed by non-Ryukyuans to the GRI, relief measures for separated military employees, and the removal of the military firing range in Kunigami-son.
- 16 Jan 71 The "Prefectural People's Congress on Reversion Measures," an advisory organ to the Chief Executive to reflect the people's opinions and requests, was formally inaugurated with the appointment of 47 members by the Chief Executive. Genshu Asato, former president of the University of the Ryukyus, and Kazufumi Uechi, president of the Okinawa Times, were named chairman and acting chairman, respectively.
- 16 Jan 71 Director Eiichi Miyazato of the GRI Construction Department met with Maj. Gen. Hayes and submitted a plan for a new route through Kadena Air Base for future shipments of chemical munitions.
- 18 Jan 71 Director General Yamanaka held a news conference following his meeting with High Commissioner Lampert and stated that the U.S. military is prepared to study a new route for the removal of chemical munitions if the GRI can obtain the understanding of the landowners and municipalities concerned.
- 18 Jan 71 U.S. Defense Department sources reported that the shipment of chemical munitions from Okinawa will be suspended until such time as special storage facilities are constructed on Johnston Island.
- 18 Jan 71 The Kadena-son Assembly unanimously adopted a resolution opposing the GRI Construction Department's proposed new route through Kadena Air Base.
- 19 Jan 71 The U.S.-Japan Consultative Committee met at the Foreign Office in Tokyo and agreed on the FY 1972 GOJ aid to the Ryukyu Islands in the amount of ¥60,020,165,000 (\$166,722,682).

- 20 Jan 71 Gen. Chapman, who arrived in Okinawa on 18 January, held a news conference and expressed his belief that the U.S. Forces will be able to operate freely from Okinawa even after reversion.
- 21 Jan 71 Ten Ryukyuan seamen were reported missing in the sinking of the Liberian-registered oil tanker, "Universe Patriot," off the coast of Sardinia.
- 23 Jan 71 GRI legal and judiciary officials decided to accept the High Commissioner's proposal for GRI representatives to observe military courts-martial when local community interests are involved.
- 26 Jan 71 The Kozà City Assembly adopted a resolution asking ZENGUNRO to refrain from picketing Gate 2 of Kadena Air Base during its planned work stoppage in February 1971.
- 27 Jan 71 The PrepCom held its eighth meeting and reviewed the results of its activities in 1970 and discussed plans for 1971. Chief Executive Yara submitted a seven-item proposal; namely, designation of military roads (excluding those within military installations) as state roads; transfer of Naha Military Port to the GRI; civilian control of Naha Air Base; early removal of chemical munitions; expansion of court jurisdiction; measures for military employees; and removal of the Kunigami firing range.
- 27 Jan 71 The fourth round of U.S.-Japan negotiations on the purchase of U.S. assets on Okinawa between Yusuke Kashiwagi of the GOJ Finance Ministry and Anthony J. Jurich of the U.S. Treasury Department, which commenced in Washington on 25 January 1971, was brought to a close without reaching a conclusion on the assessment value.
- 29 Jan 71 President Nixon, in his budget message to Congress, requested an appropriation of \$4.45 million for the Ryukyu Islands in FY 1972 (\$3.2 million for administrative expenses; \$1.25 million for the GRI).
- 29 Jan 71 Chief Executive Yara submitted a written request to High Commissioner Lampert for the payment of \$26,875 to cover various expenses incurred by the GRI in connection with the initial shipment of chemical munitions on 13 January 1971.
- 30 Jan 71 Civil Administrator Fearey, in his meeting with Chief Executive Yara, stated that, despite the reduction in U.S. appropriated aid, increased assistance will be made available from the USCAR General Fund for economic development projects during

FY 1972. This increase will more than offset the decrease in direct aid.

- 1 Feb 71 The 44th Regular Session of the GRI Legislature was convened.
- 1 Feb 71 ZENGUNRO decided to carry out its first-wave work stoppage on 10-11 February 1971 and sought the cooperation of KENROKYO and OTA.
- 5 Feb 71 The Prefectural People's Congress on Reversion Measures decided to recommend the extension of the terms of office of the Chief Executive and the legislators beyond their scheduled expiration date in November 1971.
- 6 Feb 71 Secretary of Defense Laird announced that the removal of chemical munitions can be completed by mid-summer provided that the same route is used as in the initial shipment. Commenting on this, Chief Executive Yara stated that, although he welcomed the early removal of the munitions, he will insist on a new route which will avoid residential areas.
- 8 Feb 71 Chief Executive Yara, who arrived in Tokyo on 6 February, met separately with Director General Yamanaka and Foreign Minister Aichi and sought their cooperation for the settlement of the ZENGUNRO and chemical munitions problems.
- 9 Feb 71 The GRI Legislature unanimously adopted a resolution requesting clarification of the contents of the reversion agreement now under negotiation and the reflection of the people's will in the agreement. Listed in the resolution were requests for: realization of reversion by 1 April 1972; immediate and complete withdrawal of gas and nuclear weapons; full compensation for losses caused by the U.S. military; transfer of U.S.-controlled assets to the GRI without charge; and abolition of privileges held by foreign enterprises.
- 9 Feb 71 The Irabu-son Assembly adopted for the second time a resolution supporting the planned construction by the Japanese Government of a pilot training center on Shimoji Island, Irabu-son, Miyako.
- 9 Feb 71 Director General Yamanaka informed Chief Executive Yara that the Japanese Government will disburse a total of ¥630 million (\$1.75 million) as special solatia for separated military workers on Okinawa.
- 9 Feb 71 ZENGUNRO held a meeting of its executive committee and decided to go ahead with its planned mass absenteeism despite the offer of increased separation allowances by the GOJ. At the same time, the committee announced that it would not picket Kadena

Gate 2 in the light of the decision of the U.S. military to close the gate during the work stoppage.

- 10 Feb 71 ZENGUNRO commenced its 48-hour work stoppage with pickets posted at gates to all key military installations with the exception of Kadena Gate 2. No major incidents were reported.
- 13 Feb 71 GOJ Defense Agency sources disclosed that Naha Air Base will be placed under the control of the Japan Self-Defense Forces and will be used jointly with the U.S. military in the immediate postreversion period, with a gradual phaseout of U.S. Forces from the base with the implementation of Japan's Fourth Defense Plan.
- 14 Feb 71 A seven-man legislative delegation, headed by Speaker Katsu Hoshi, departed for Tokyo to request the Japanese Government to reflect the people's demands in the reversion agreement.
- 15 Feb 71 The Central Election Administration Commission announced a legislative by-election in the 7th electoral district (Misato-son, Ishikawa City) on 7 March 1971 to fill the vacancy created by the death of OSMP Legislator Choko Yamashiro on 25 January 1971. Registering as candidates were Osamu Ishikawa, OSMP, and Saburo Odo, OLDP.
- 16 Feb 71 The U.S. military issued notices of dismissal to 438 Ryukyuan employees of Naha and Kadena Air Bases.
- 17 Feb 71 The GRI Foreign Investment Board approved the application of Pacific International Rice Mills (U.S.) for an amendment of its license to permit the construction of a tourist hotel and processing of livestock feed in a joint venture with the Okinawa Food Company.
- 18 Feb 71 An on-the-spot inspection of the six proposed routes for the transportation of chemical munitions was conducted by representatives of the GRI, USCAR, military, and municipal mayors.
- 18 Feb 71 The deactivation of the 374th Tactical Airlift Wing was marked by a ceremony at Naha Air Base.
- 19 Feb 71 JSLC Chairman Jacobson announced that the U.S. military is making every effort to keep to a minimum the number of persons to be affected by the RIF program and that the employees to be dismissed have been decreased by 550 from the originally announced total of 3,000.
- 20 Feb 71 The GRI Executive Branch drafted request items for inclusion in the Outline of Reversion Measures which is currently under preparation by the Japanese Government. Parts 1 and 2 of the written request included: the establishment of an Okinawa

Development Corporation for economic promotion; creation of a prefectural enterprise bureau to handle water supply, sewage, land development, and housing programs; designation of Naha Airport as a first-class airport; control of Naha Port by the prefecture; and extension of the terms of office of the Chief Executive and legislators until reversion.

- 20 Feb 71 ZENGUNRO decided to carry out its second walkout on 2-3 March 1971.
- 21 Feb 71 OLDP, at its annual convention, reelected Chairman Seisaku Ota, Secretary General Shochi Ota, and Political Affairs Research Committee Chairman Choko Kuwae.
- 22 Feb 71 The GRI Executive Branch announced Part 3 of its written request to the GOJ covering eight items, among which were: conclusion of new lease contracts with individual landowners, and release of the Yogi petroleum storage and Machinato housing areas.
- 23 Feb 71 High Commissioner Lampert, in a meeting with Kunigami-son leaders on the firing range problem, expressed his understanding of the people's position and stated that the local inhabitants' wishes will be taken into consideration.
- 23 Feb 71 A 3-day "National Rally to Build a New Okinawa" was opened in Naha under the sponsorship of FUKKIKYO and OKINAWA-REN to discuss the problems facing Okinawa and to consolidate the demands of the people in order to develop new struggles in connection with the reversion negotiations.
- 24 Feb 71 Foreign Minister Wei Tao-ming of the Republic of China reiterated his Government's territorial claims over the Senkaku Islands and disclosed that notification of its claim was formally conveyed to the Japanese Government.
- 24 Feb 71 Prime Minister Sato, in the Upper House plenary session, stated that, although special legislation is contemplated for the acquisition of land to be offered to the U.S. Forces on Okinawa, priority will be given to individual leases through talks with the landowners concerned.
- 24 Feb 71 The GRI Tax System Investigation Council submitted to Chief Executive Yara a recommendation for a \$4,250,000 income tax reduction during FY 1972.
- 25 Feb 71 President Nixon, in his "State of the World" message, stated that the U.S. Government is setting as its goal a specific agreement on the return of Okinawa by this spring so that U.S. Congressional support necessary for the reversion of Okinawa in 1972 can be obtained.

- 27 Feb 71 The labor dispute involving the Morning Star, an English language daily, was settled with the signing of an agreement. Publication of the paper was resumed on 23 February 1971 after a 10-month suspension.
- 28 Feb 71 The Yomitan-son Assembly adopted a resolution requesting the U.S. military to remove the explosive dud disposal site located in the municipality.
- 2 Mar 71 The second 48-hour work stoppage was launched by ZENGUNRO to demand the complete retraction of the reduction-in-force program. Some 200 Koza businessmen thronged to the GRI Executive Building to voice their opposition to the ZENGUNRO walkout.
- 4 Mar 71 Paratroopers of the 82d Airborne Division, North Carolina, departed for Korea after a stopover at Kadena Air Base to launch the start of "Operation Freedom Vault," a joint United States-Republic of Korea airlift exercise.
- 4 Mar 71 Flying Tiger Line formally filed an application with the GRI Foreign Investment Board for a license to engage in commercial air freight business in the Ryukyus.
- 5 Mar 71 The GRI Legislature adopted five resolutions at its plenary session: one addressed to President Nixon and High Commissioner Lampert requesting revision of the Executive Order to extend the terms of office of the Chief Executive and legislators until reversion (adopted by OLDP majority vote); two addressed to the Japanese Government--one requesting the enactment of provisional measures to facilitate conversion to a prefectural government and the other, relief measures for base-dependent enterprises and their employees; and two separate resolutions addressed to the U.S. Government and GOJ, respectively, requesting solution of the problem of mass dismissals of Ryukyuan military employees.
- 8 Mar 71 Saburo Odo (OLDP) emerged as the winner over Osamu Ishikawa (OSMP) in the by-election held on 7 March in the 7th electoral district.
- 9 Mar 71 Maj. Gen. Louis H. Wilson, Commanding General, 3d Marine Division, met with Mayor Takeo Yamakawa of Kunigami-son and announced that firing practices will not be conducted at the Kunigami range.
- 11 Mar 71 Ten F4C Phantom fighter-bombers, the first of 54 fighter-bombers of the 347th Tactical Fighter Wing at Yokota Air Base, Japan, arrived for reassignment to Kadena Air Base.

- 12 Mar 71 OLDP legislators unanimously adopted a resolution covering requests to be included in Part 2 of the Outline of Reversion Measures under preparation by the Japanese Government.
- 12 Mar 71 The legislature's Military Relations Special Committee agreed on a new transportation route for chemical munitions which runs from Chibana Ammunition Depot, across Zukeyama Dam, through Ikehara-ku (Misato-son), Enobi-ku (Gushikawa), Higashionna-ku (Ishikawa), to Tengan Pier.
- 15 Mar 71 High Commissioner Lampert officially dedicated the newly constructed runway on Tarama Island.
- 15 Mar 71 The Gushikawa City Assembly unanimously adopted a resolution opposing the use of Tengan Pier for the shipment of chemical munitions.
- 17 Mar 71 U.S. Embassy sources in Tokyo disclosed that the United States hopes for the continued operation of VOA on Okinawa after reversion.
- 17 Mar 71 The GRI Labor Department announced the opening on 19 March 1971 of a vocational consultation office for separated military base workers to promote their reemployment.
- 17 Mar 71 U.S. State Department authorities in Washington disclosed that President Nixon has decided to handle the Okinawa reversion agreement in the form of a treaty and to seek the "advice and consent" of the Senate and that the Senate Foreign Relations Committee and the Japanese Government have been notified of his decision.
- 18 Mar 71 ZENGUNRO submitted its "spring labor offensive" demands to JSLC which included an increase of 25¢ an hour in basic wages.
- 19 Mar 71 PMO Director General Yamanaka, in a news conference following a Cabinet meeting, urged an early decision on a new chemical munitions transportation route and stated that further delays may lead to the munitions remaining on Okinawa after reversion.
- 20 Mar 71 Civil Administrator Fearey met with Chief Executive Yara on reports of irregularities allegedly committed by certain USCAR employees and explained that a thorough investigation has failed to unearth any criminal violations.
- 22 Mar 71 Japanese Foreign Office sources clarified that the Japanese Government will seek the withdrawal of the 7th Psychological Operations Group and other special military units from Okinawa after reversion.

- 23 Mar 71 Director General Yamanaka, at a meeting of the Upper House Cabinet Committee, stated that VOA operations after reversion cannot be recognized under Japanese domestic law.
- 23 Mar 71 The Japanese Government, at its Cabinet meeting, approved Part 2 of the "Outline of Reversion Measures" as submitted by the Prime Minister's Office. Part 2 consists of 11 categories covering 55 items, including treatment of the Chief Executive and legislators as governor and prefectural assemblymen, respectively, at the time of reversion.
- 23 Mar 71 The GOJ Finance Ministry formally approved the application of the Ryukyu Life Insurance Company, headed by Noboru Kakazu, to establish branch offices in Japan.
- 24 Mar 71 High Commissioner Lampert departed for Washington to testify before the House of Representatives Subcommittee on Foreign Operations and Related Agencies in support of the U.S. pre-reversion budget for the Ryukyus.
- 24 Mar 71 The GRI Foreign Investment Board approved the application of Saxet Corporation, a subsidiary of Sterling Drug, Inc., to build a plant for the manufacture, sale, and export of pharmaceutical products with a total authorized investment of \$100,000.
- 25 Mar 71 Kazuo Itosu, Director of the GRI Taxation and Revenue Department, formally expressed his intention to resign to take "administrative responsibility" for the alleged customs irregularities by the Daiichi Kigyo Company, presently under investigation.
- 26 Mar 71 At a meeting with Chief Executive Yara, Maj. Gen. Hayes proposed the establishment of a tripartite committee comprised of representatives of the GRI, USCAR, and U.S. military to keep the people fully informed of all activities pertaining to the removal of chemical munitions from Okinawa.
- 28 Mar 71 GRI Police Headquarters commenced a full-scale investigation into suspected irregularities in the extension of a \$500,000 loan from the Industrial Development Fund to a Naha hotel enterpriser.
- 28 Mar 71 A survey team from the GOJ Defense Agency arrived in Okinawa to inspect missile and radar sites and other military installations.
- 30 Mar 71 The 2-day Okinawa Economic Promotion Conference, attended by business representatives from Japan and Okinawa, was concluded with the adoption of a joint statement calling

for, among other things, the establishment of a special committee to work out details for holding an international oceanic exposition in Okinawa in 1975, retention of the existing commodity tax rates for an unspecified period after reversion to protect existing enterprises, and establishment of an Okinawa Development Agency under a State Minister.

- 31 Mar 71 A GOJ survey team arrived in Okinawa to collect necessary data for the planned construction of a pilot training center on Shimoji Island.
- 31 Mar 71 ZENGUNRO announced its plan to carry out a third-wave walkout on 14-15 April 1971.
- 1 Apr 71 The GRI commemorated its 19th anniversary.
- 1 Apr 71 Foreign Minister Aichi and Ambassador Meyer, at a meeting in Tokyo, agreed, in principle, that the vested rights of foreign enterprises and professionals on Okinawa will be recognized for a specified period after reversion. No conclusion was reached on the handling of VOA operations and the claims of the Okinawan people against the United States.
- 2 Apr 71 The three reformist government parties decided to conduct an independent probe into the alleged irregularities involving customs evasion by the Daiichi Kigyo Company and the issuance of a loan to a hotel enterpriser from the Industrial Development Fund and sought Chief Executive Yara's cooperation.
- 3 Apr 71 U.S. Marine Corps Headquarters on Okinawa announced that the 3d Marine Amphibious Force Headquarters, presently in South Vietnam, will move to Okinawa on 14 April.
- 7 Apr 71 A Ryukyuan-American joint committee was inaugurated to meet on a weekly basis to conduct technical liaison and coordination for the removal of chemical munitions.
- 7 Apr 71 FUKKIKYO announced that a general strike will be held on 11 May to protest reversion negotiations being conducted by the United States and Japan which do not reflect the will of the prefectural people.
- 9 Apr 71 Chief Executive Yara appointed 21 scholars and specialists to study safety and transportation measures for future shipments of chemical munitions.
- 9 Apr 71 Eleven students, who intruded into the USCAR compound in July 1969, were found guilty of trespassing by the Naha District Court.

- 9 Apr 71 Chief Executive Yara formally accepted the resignation of GRI Tax and Revenue Department Director Kazuo Itosu, which had been submitted on 25 March 1971.
- 10 Apr 71 A "Military Base Problem Research Team" was established in the Liaison and Public Affairs Division, General Affairs Department, GRI, to collect information pertaining to all incidents caused by U.S. military and civilian personnel and to deal with various problems arising from the military bases.
- 11 Apr 71 OSP held its ninth regular convention and elected Kosuke Uehara and Zenshun Arakaki as chairman and secretary general, respectively.
- 11 Apr 71 High Commissioner Lampert, who returned from Washington on 6 April, departed again for Washington for further consultations with U.S. Government officials.
- 12 Apr 71 RDWC President Hirosada Ohama briefed municipal waterworks officials on the critical water situation due to the lack of rainfall and pollution of the Hija River and asked for their cooperation in developing an islandwide water conservation movement.
- 13 Apr 71 Chief Executive Yara issued a statement that the 24-hour strike planned by KANKORO on 15 April in conjunction with KENROKYO's unified strike is illegal and urged government employees to report to work.
- 14 Apr 71 Civil Administrator Fearey, in a formal reply to the GRI, rejected the request for payment of some \$26,900 for expenses incurred by the GRI during the initial Operation Red Hat. Evacuation and, therefore, GRI expenditures, he noted, had been unnecessary.
- 14 Apr 71 Some 50 persons were injured during a clash between radical students and the GRI police at Kadena Gate 2 as ZENGUNRO launched its third-wave 48-hour work stoppage.
- 15 Apr 71 KENROKYO commenced a 24-hour unified strike to win "complete" reversion and to block the reversion agreement now under negotiations.
- 16 Apr 71 The Ryukyuan-American liaison committee on chemical munitions held its second meeting. A 38-point questionnaire concerning safety measures was submitted to U.S. officials by the GRI representatives.
- 19 Apr 71 Staff members of the English Language Center, Shuri, were notified by USCAR of their separation effective 30 June

1971, with the planned phaseout of the center by the end of June.

- 19 Apr 71 The New York Times editorialized that President Nixon's decision to effect the return of Okinawa on a treaty basis instead of an administrative agreement may bring about a grave crisis in U.S.-Japan relations.
- 19 Apr 71 The Ryukyu Procurator's Office decided against the application of "riot charges" in connection with the Koza incident of December 1970.
- 20 Apr 71 The GRI Poison Gas Removal Measures Headquarters made public a reply from Maj. Gen. Hayes on the questionnaire submitted by the GRI in which he clarified that there is little possibility of any accident or explosion occurring during the removal operation and urged an early decision on the transportation route.
- 21 Apr 71 FUKKIKYO decided to postpone its general strike from 11 May to 19 May 1971 and to appeal to all nonaffiliated organizations for their support in order to frustrate the U.S.-Japan reversion negotiations.
- 21 Apr 71 GENSUIKYO, headed by Deputy Board Chairman Yoko Tobaru, announced that it would carry out a mass movement to oppose the stationing of the Japan Self-Defense Forces in the Ryukyus.
- 22 Apr 71 The fifth round of talks between U.S. and Japanese officials on the purchase of U.S. assets on Okinawa commenced in Tokyo, at which time the United States reportedly submitted a figure of \$600-\$700 million.
- 23 Apr 71 Chief Executive Yara and Deputy Chief Executive Chinen formally denied the rumored resignations of the Deputy Chief Executive and three department directors.
- 24 Apr 71 OTA, at its 37th regular convention, decided to participate in the FUKKIKYO general strike on 19 May and to reorganize the association into a union by September 1971. Shizuo Heshiki and Genei Uehara were elected chairman and vice chairman, respectively.
- 25 Apr 71 The New York Times reported that the Japanese Government has a secret agreement with the United States to approve the temporary introduction of nuclear weapons into Japan. This report was denied by Deputy Chief Cabinet Secretary Toshio Kimura.

- 26 Apr 71 The Okinawa Federation of Owners of Military-Used Land submitted a petition to the USCAR Land Tribunal for payment of \$196,660 to restore some 81,500 square meters of military-released land to its original state.
- 26 Apr 71 Foreign Minister Aichi and Ambassador Meyer met at the GOJ Foreign Office and reportedly reached basic agreement on the validity of court judgments, treatment of foreign enterprises, and the handling of special military units on Okinawa; however, differences still remained on such issues as U.S. assets, VOA, and status of U.S. bases.
- 26 Apr 71 Chief Executive Yara, who arrived in Tokyo on 25 April, called on Director General Yamanaka and requested a special grant of ¥1.5 billion (\$4.2 million) to cope with the financial difficulty faced by the GRI in compiling its FY 1972 budget.
- 27 Apr 71 The GOJ Defense Agency, in its draft Fourth Defense Plan, clarified that a total of some 6,000 men of the Japan Self-Defense Forces will be stationed in the Ryukyus after reversion.
- 27 Apr 71 Chief Executive Yara held a news conference following his return from Tokyo and stated that the handling of the military bases, U.S. assets, and claims in the reversion negotiations is far from the demands of the people.
- 28 Apr 71 FUKKIKYO held a rise-up rally in Naha in commemoration of "Okinawa Day" and adopted a resolution opposing any reversion based on the U.S.-Japan Joint Communique of 1969.
- 28 Apr 71 The fifth round of U.S.-Japan negotiations on the GOJ purchase of U.S. assets on Okinawa between Yusuke Kashiwagi and Anthony Jurich was concluded in Tokyo.
- 28 Apr 71 KENROKYO announced that the People's Republic of China had unofficially approved the request of Okinawan reformist organizations to dispatch a delegation to mainland China and that a 12-member team was expected to leave sometime in mid-June.
- 30 Apr 71 A new route for the shipment of chemical munitions was decided upon at a meeting between High Commissioner Lampert and Chief Executive Yara.
- 30 Apr 71 USCAR announced the release of 1,247.23 acres of military-leased land, effective 30 June 1971.
- 30 Apr 71 Japanese Foreign Office sources disclosed that agreement had been reached with the United States on the following points of the reversion agreement: the Nixon-Sato Joint Communique will not be quoted in the agreement; the area to be returned

to Japan will merely be described as "Nansei Shoto," as stipulated in Article 3 of the Peace Treaty; the maintenance of U.S. base functions will be guaranteed; and the bases to be returned in the future will be specified.

- 2 May 71 Three B-52 bombers landed at Kadena Air Base from Guam to take refuge from a typhoon.
- 3 May 71 Investigators from the GRI Police Headquarters impounded documents from the Bank of the Ryukyus, Hotel Kowa, and 16 other offices in connection with the suspected scandal involving loans from the Industrial Development Fund.
- 4 May 71 Civil Administrator Fearey, at the annual Bank of the Ryukyus stockholders' meeting, announced that the shares held by USCAR will be sold at an appropriate time before reversion with priority given to the Ryukyuan people.
- 6 May 71 OLDP Legislator Saburo Odo, at a meeting of the Education and Social Affairs Committee, exposed the illegal action of the GRI Education Department in appointing a member to the Naha District School Board.
- 8 May 71 The Japan Bar Federation worked out a written request to Prime Minister Sato, pointing out the possible danger of the "Okinawanization of Japan" unless functions of the U.S. bases on Okinawa are curtailed and asked for the removal of the SR-71 reconnaissance planes, special units, and VOA facilities from Okinawa.
- 11 May 71 Foreign Minister Aichi and Ambassador Meyer met and reviewed all problems in connection with the Okinawa reversion agreement. No conclusion was reached on the handling of VOA.
- 11 May 71 U.S. military authorities, at the request of the GRI Executive Branch, conducted a demonstration of chemical decontamination procedures for the benefit of some 200 municipal representatives.
- 11 May 71 Chief Executive Yara issued a warning that appropriate disciplinary action will be taken against any public service employee who participates in the 19 May general strike.
- 13 May 71 Foreign Minister Aichi, in the Upper House Foreign Affairs Committee meeting, suggested that Japan will approve the provisional continuation of VOA operations on Okinawa after reversion although the use of radio waves by foreign commercial firms will be restricted as in Japan.
- 13 May 71 ALCOA notified the GRI Foreign Investment Board of its decision to abandon plans for advancing into Okinawa.

- 13 May 71 U.S. military authorities revealed that Army engineers have commenced the construction of a new transportation route for the shipment of chemical munitions.
- 14 May 71 A ground-breaking ceremony was held for the construction of REPC's new administrative facilities in Machinato.
- 15 May 71 Foreign Minister Aichi, appearing before a joint session of the Lower House Foreign Affairs Committee and Special Committee on Okinawa-Northern Territories, gave an interim report on the progress of U.S.-Japan negotiations on the Okinawa reversion agreement.
- 15 May 71 GUNKOWANRO began an indefinite strike to demand the application of the Special Measures Law for Separated Base Workers to port workers and enforcement of the separation allowance system retroactive to 1952.
- 15 May 71 USCAR announced an amendment to CA Ordinance No. 147, "Control of Travel by Residents of the Ryukyu Islands," effective 30 April 1971, which simplified the application form for travel from Okinawa to Japan, including the elimination of the item which prohibited travel to Communist countries.
- 17 May 71 The GRI Legislature adopted two resolutions: one requesting a clear stipulation in the reversion agreement for the removal of VOA facilities and special military units from Okinawa; the other listing various measures for inclusion in Part 3 of the "Outline of Reversion Measures."
- 18 May 71 The Bank of Okinawa, Chuo Sogo Bank, and Nanyo Sogo Bank signed a preliminary agreement to consolidate by 1 October 1971.
- 18 May 71 Chief Executive Yara appointed Shigeharu Arakaki, board chairman of the OTA Mutual Aid Association, as the new Director of the Taxation and Revenue Department.
- 19 May 71 An islandwide general strike in protest against the U.S.-Japan reversion negotiations was held under the sponsorship of FUKKIKYO.
- 20 May 71 Chief Executive Yara departed for Tokyo to appeal to Japanese Government leaders to consider the Okinawan prefectural people's requests in coordinating the reversion agreement.
- 21 May 71 In a meeting with Chief Executive Yara, Foreign Minister Aichi clarified that Okinawa will revert without nuclear weapons, as agreed upon by President Nixon and Prime Minister Sato.

- 22 May 71 High Commissioner Lampert departed for Washington for consultations on reversion matters. Scheduled date of return was 11 June.
- 23 May 71 Water supply to some 4,000 households and 10 schools in southern Okinawa was suspended due to contamination resulting from disposal of a chemical, PCP (pentachlorophenol), by a local firm.
- 23 May 71 Chief Executive Yara held a news conference upon his return from Tokyo and stated that he had received assurance from Prime Minister Sato that Okinawa will be nuclear-free upon reversion and that the unrestricted use of the bases and introduction of nuclear weapons will not be permitted after reversion.
- 24 May 71 Foreign Minister Aichi and Ambassador Meyer met to discuss pending problems in finalizing the reversion agreement. In a news conference following the meeting, Foreign Minister Aichi reported that, although no conclusion was reached, it was agreed that mutual compromises will be made in order to speed up negotiations.
- 24 May 71 The Japanese Government decided at a Cabinet meeting to appropriate \$200,000 from its reserve fund to finance the construction of a new route on Okinawa for the shipment of chemical munitions.
- 25 May 71 Foreign Office sources disclosed that a basic agreement was reached with the United States to handle the problems of U.S. assets on Okinawa and VOA operation in the form of "minutes" to the reversion agreement.
- 26 May 71 The Koza City Assembly adopted a protest resolution, addressed to the High Commissioner, on the series of crimes committed by U.S. servicemen and demanded the transfer of investigative rights and jurisdiction to Ryukyuan authorities.
- 26 May 71 Prime Minister Sato stated at a news conference that, although the removal of nuclear weapons from Okinawa will not be specified in the reversion agreement, the Japanese Government will assure this by financing the cost of removing these weapons. He also stated that there will be no revaluation of the Japanese yen at this time.
- 27 May 71 Representatives of four reformist organizations presented a written opinion to the Prefectural People's Congress on Reversion Measures, which included demands for the abolition of the U.S.-Japan Security Treaty, removal of all military

bases, and the submission of the reversion agreement to a referendum.

- 27 May 71 Prime Minister Sato, in separate meetings with the leaders of the three Japanese opposition parties to brief them on the reversion negotiations, hinted that it will take time to scale down the military bases on Okinawa to homeland level.
- 28 May 71 Prime Minister Sato met with Chief Cabinet Secretary Shigeru Hori, Foreign Minister Aichi, and Posts and Telecommunications Minister Ichitaro Ide and decided to approve provisionally the continuation of the VOA operation on Okinawa for 5 years after reversion, with consultations on its future operation to commence 2 years after reversion.
- 28 May 71 Director Toshio Kishimoto of the GRI Legal Affairs Department stated at the joint session of the legislative committees that the GRI is opposed to the "blanket formula" of lease contracts for military-leased land after reversion.
- 28 May 71 Foreign Minister Aichi and Ambassador Meyer met and confirmed that the Okinawa reversion agreement will be signed sometime after 15 June and that the four pending problems--VOA, claims against the United States, complete reversion of Naha Airport, and the wording of a nuclear-exclusion clause in the reversion agreement--will be finalized in a meeting between Secretary of State Rogers and Foreign Minister Aichi in Paris on 9 June.
- 31 May 71 The three reformist governors of Tokyo, Kyoto, and Osaka issued a joint appeal, in which they expressed their opposition to the reversion of Okinawa along the lines currently being negotiated between the United States and Japan.
- 31 May 71 At a joint session of legislative committees, OLDP legislators criticized the inefficiency of the educational administration and demanded the resignation of GRI Education Department Director Koshin Nakayama.
- 31 May 71 Chief Executive Yara, in a meeting with representatives of the three government parties, clarified his position of opposing the stationing of Japan Self-Defense Forces on Okinawa.
- 1 Jun 71 Maj. Gen. Hayes disclosed that the construction of the new route for the second gas shipment will be completed by 10 July and that shipment will commence in mid-July.
- 1 Jun 71 REPC commenced power service to Kumejima.
- 3 Jun 71 Binsho Sakima and Takehiko Noka inaugurated the Ryukyu Independence Party with a statement that the reversion of Okinawa

to Japan is nothing more than a political strategy to annex the Ryukyus to Japan and that the Ryukyuan people have the right to claim complete independence under the provisions of the Peace Treaty and U.N. Charter.

- 3 Jun 71 Chief Executive Yara and other reformist leaders, at a meeting sponsored by the Reformist Joint Struggle Council, pointed out the dangerous implications in the reversion agreement and criticized the reversion measures of the Japanese Government.
- 4 Jun 71 The series of meetings between Foreign Minister Aichi and Ambassador Meyer in Tokyo on the reversion of Okinawa were concluded, and the remaining unresolved issues of claims against the United States, inclusion of a nuclear-exclusion clause in the agreement, and complete return of Naha Airport were carried over to the Paris meeting between Secretary Rogers and Foreign Minister Aichi.
- 4 Jun 71 Ichiro Inamine (OLDP), Chikashi Kinjo (Reformist Joint Struggle Council), and Binsho Sakima (Ryukyu Independence Party) officially registered as candidates for the House of Councilors election scheduled for 27 June.
- 6 Jun 71 With reference to the provisional operation of VOA on Okinawa after reversion, Japanese Foreign Office sources disclosed that the "Agreed Minutes" will specify Japan's readiness to consider appropriate measures in the event of unforeseen circumstances after the 5-year period.
- 7 Jun 71 The GRI Executive Branch completed Section 2 of its requests to be included in Part 3 of the GOJ Outline of Reversion Measures. Among the 56 items requested were: continuation of tacitly approved farming without decrease in rental and acreage; consideration of separation allowances for GRI employees; special measures for enterprises and employees forced to change their occupations after reversion; and appropriate relief measures for damage to property and injuries suffered after the conclusion of the Peace Treaty.
- 9 Jun 71 The joint session of legislative committees to deliberate on the FY 1971 revised budget, which had been boycotted by the OLDP legislators who demanded the resignation of Education Department Director Nakayama, resumed for the first time since 31 May.
- 9 Jun 71 Chief Executive Yara, commenting on the Aichi-Rogers meeting in Paris, urged the U.S. and Japanese Governments to reflect the voices of the Okinawan people in the reversion agreement.
- 9 Jun 71 Secretary of State Rogers met with Foreign Minister Aichi in Paris and concluded the U.S.-Japan negotiations on the

reversion of Okinawa to Japan, which had been conducted over the past year and a half. The signing of the reversion agreement, to be held simultaneously in Tokyo and Washington and telecast via space satellite, was scheduled for 17 June.

- 11 Jun 71 FUKKIKYO announced that it will sponsor mass rallies on 17 June to protest the signing of the reversion agreement.
- 12 Jun 71 Chief Executive Yara, in his administrative policy message to the legislature, expressed dissatisfaction with the reversion agreement, opposition to the stationing of the Japan Self-Defense Forces on Okinawa, and demanded the removal of the VOA station and special U.S. military units from Okinawa.
- 12 Jun 71 JCP officials, at a news conference in Tokyo, referred to the existence of a military submarine cable connecting Okinawa with Taiwan and demanded steps by the GOJ for its removal.
- 14 Jun 71 Ambassador Jiro Takase, Japanese Representative to PrepCom, visited Chief Executive Yara and formally extended the Japanese Government's invitation to attend the signing ceremony in Tokyo on the 17th.
- 15 Jun 71 The Japanese Government, in a Cabinet meeting, approved the reversion agreement and other documents related to the reversion of Okinawa to Japan.
- 15 Jun 71 Chief Executive Yara appointed Shoshichi Maekura and Seikyo Thoma of the GRI Legal Affairs Department, Rinei Takara and Toshimitsu Takaesu of the GRI Procurator's Office, and Minoru Uechi and Risei Higa of the Okinawa Lawyers Association as members of the GRI trial observer panel at U.S. courts-martial.
- 15 Jun 71 Acting Home Affairs Minister Ryutaro Nemoto stated at a news conference in Tokyo that he thought it strange that the people of Okinawa were dissatisfied with the Japanese Government's reversion measures and charged that Okinawa is overly protected and that "Okinawa should not be babied." Immediate protests against this statement were voiced by Chief Executive Yara and local political party leaders.
- 15 Jun 71 Representatives of the three reformist parties, FUKKIKYO, OTA, and KENROKYO requested Chief Executive Yara not to attend the signing ceremony in Tokyo.
- 15 Jun 71 High Commissioner Lampert notified the Chief Executive that the second phase of the gas removal operation will commence on 15 July.
- 16 Jun 71 Chief Executive Yara formally declined the GOJ invitation to attend the signing of the reversion agreement.

- 16 Jun 71 The GRI Foreign Investment Board recommended the revision of the foreign investment licenses of Gulf Oil and Esso to permit operations outside of the free trade zone.
- 16 Jun 71 GOJ Deputy Chief Cabinet Secretary Toshio Kimura informed JCP representatives that the existence of the Okinawa-Taiwan submarine cable does not present a problem and that the United States and Japan have already reached an agreement regarding its postreversion handling.
- 17 Jun 71 In simultaneous ceremonies held in Washington and Tokyo, Secretary of State Rogers and Foreign Minister Aichi signed the Okinawa reversion agreement. In his message, Prime Minister Sato stated that the historical significance of the agreement lies in the creation of a new era in which U.S.-Japan cooperation will contribute to the peace and prosperity of the Asia-Pacific area.
- 17 Jun 71 Chief Executive Yara, in connection with the signing of the reversion agreement, expressed his appreciation for the efforts of Prime Minister Sato, Foreign Minister Aichi, and other persons concerned, but stated that he was dissatisfied with the contents of the agreement from the standpoint of the prefectural people.
- 18 Jun 71 OLDP legislators adopted a resolution of gratitude for the signing of the reversion agreement, while turning down a resolution demanding renegotiation proposed by the reformists.
- 18 Jun 71 The Okinawa Management Association held a rally and lantern parade to celebrate the signing of the reversion agreement.
- 18 Jun 71 The Republic of China Legislative Yuan issued a statement saying that the future status of Okinawa should be decided through consultations among the major World War II allies on the basis of the Cairo and Potsdam Declarations, and that it would not recognize the return of administrative authority over the Senkaku Islands to Japan.
- 21 Jun 71 The GOJ Defense Facilities Administration Agency disclosed that a reversion preparatory office to handle matters connected with U.S. military-leased land will be established on Okinawa by this fall.
- 21 Jun 71 Chief Executive Yara, in response to interpellations in the legislature, expressed his opposition to the U.S.-Japan Security Treaty and the stationing of the Japan Self-Defense Forces on Okinawa.
- 22 Jun 71 Prime Minister Sato accepted the recommendation of Director General Yamanaka to establish an "Okinawa Development Agency"

and to abolish the Okinawa-Northern Territories Agency with the reversion of Okinawa in 1972.

- 22 Jun 71 Foreign Minister Aichi arrived in Okinawa for a 1-day visit to explain the terms of the reversion agreement and to request the cooperation of the Okinawan prefectural people.
- 24 Jun 71 The GRI Executive Branch decided to disburse \$1,192,971, to Miyako and Yaeyama for emergency drought-relief measures.
- 26 Jun 71 High Commissioner Lampert declared the islands of Miyako and Yaeyama a disaster area and announced that USCAR will accelerate coordination of emergency disaster measures with the GRI.
- 27 Jun 71 Polls were opened throughout the Ryukyu Islands to elect a representative to the Japanese House of Councillors.
- 28 Jun 71 Ichiro Inamine, OLDP, was the victor in the House of Councillors election, defeating reformist candidate Chikashi Kinjo and Binsho Sakima of the Ryukyu Independence Party. Voting rate was approximately 68 percent, the lowest in postwar elections.
- 28 Jun 71 The Central Board of Education approved the continuation of the English Language Center until reversion as a branch of the GRI Educational Research Center.
- 29 Jun 71 A U.S.-Japan agreement on Japan's assumption of defense responsibilities for Okinawa was signed in Tokyo. Commenting on the agreement, Chief Executive Yara stated that the deployment of the Japan Self-Defense Forces on Okinawa is not acceptable to the people.
- 29 Jun 71 A bill to govern and control assemblies, parades, and marches on public streets was introduced into the legislature by the GRI Executive Branch.
- 29 Jun 71 Officials of USCAR, GRI, and RDWC held a meeting to discuss the serious water situation and decided to enforce a 12-hour water suspension every other day from 4 July 1971.
- 29 Jun 71 ZENGUNRO and JSLC reached an agreement to increase the wages of Ryukyuan military workers through the payment of a differential ranging from 6½¢ to 11¢ per hour.
- 30 Jun 71 The GRI Legislature approved the extension of the 44th Regular Session until 31 August 1971.
- 30 Jun 71 GUNKOWANRO, with the support of KENROKYO, blockaded Naha Military Port in protest against the dismissal of its officials by the Kokuba Stevedoring Company.

PART I

GOVERNMENTAL, POLITICAL, AND LEGAL

CHAPTER 1

GOVERNMENT OF THE RYUKYU ISLANDS

THE GOVERNMENT OF THE RYUKYU ISLANDS LEGISLATURE

43d Extraordinary Session

The 43d Extraordinary Session of the Government of the Ryukyu Islands (GRI) Legislature was convened for 1 day on 24 December 1970 at the request of the legislature's Military Relations Special Committee to consider resolutions concerning the removal of chemical munitions, the acquittal of a member of the U.S. Forces involved in an automobile accident in Itoman-cho resulting in the death of a Ryukyuan woman, and the Koza riot incident of 20 December 1970. Subsequently, the following resolutions were adopted:

a. A request for the immediate and complete withdrawal of "poison gas" munitions from Okinawa and clarification of the entire removal plan and accompanying safety standards.

b. A request for the transfer of court jurisdiction and criminal investigation rights to the GRI in cases involving U.S. military personnel; intensification of military discipline; strict punishment of the U.S. serviceman involved in the fatal accident in Itoman-cho; opening of the court records and trial proceedings to the public; and just compensation for the victim.

c. Opposition to the establishment of a firing range in Kunigami-son, pointing out the dangers of live-firing exercises and their harmful effect on the natural forest preserve in the Kunigami area.

It was decided that the three resolutions would be submitted to the U.S. and Japanese Governments as well as to U.S. military authorities. It was further decided to send seven legislators to Tokyo immediately to make appeals based on the adopted resolutions.

44th Regular Session*

The 44th Regular Session of the legislature was convened on 1 February 1971. Termed "the last reversion measures session," both government and opposition parties announced their intention to analyze the past 25 years of U.S. administration in developing a course of politics desired by the Ryukyuan people. Formulation of a reversion resolution along the lines of accepting the negotiations of the U.S. and Japanese Governments

*To cover the activities of this session, the reporting period of this session extends through 30 September 1971.

was suggested by the conservative elements; however, this was opposed by the reformists who stood united against the proposed continuation of the military bases and the U.S.-Japan Security Treaty. The Okinawa Liberal Democratic Party (OLDP) expressed its intention to work in concert with the Japanese Diet and to see that the desires of the Ryukyuan people were reflected in the proposed reversion agreement. The reformist parties held that full clarification of the contents of the reversion agreement was a prerequisite to its acceptance.

After more than a week of discussions, the legislature on 9 February unanimously approved a "Resolution Regarding the Return of Administrative Authority Over Okinawa to Japan," which called for a clarification of the details of the reversion negotiations being conducted between the U.S. and Japanese Governments. It also requested reversion by 1 April 1972; immediate and complete removal of all chemical and nuclear weapons; recognition of the people's rights to claim compensation for all forms of tangible and intangible losses incurred from 1945 until reversion; the transfer, without charge, of all assets funded and controlled by the United States (Ryukyu Electric Power Corporation, Ryukyu Domestic Water Corporation, Ryukyu Development Loan Corporation, etc.) to the prefectural people; and the termination of all unjust special rights held by existing foreign enterprisers on Okinawa. The resolution was addressed to the Japanese Prime Minister, Cabinet Ministers, and Diet leaders. A similar resolution was sent to the President of the United States, Secretary of State, President of the Senate, and Speaker of the House of Representatives.



Meeting of the legislature's Special Committee on Reversion Measures

One of the first major problems faced by the 44th Regular Session was the determination of a route for the movement of chemical munitions from Chibana Ordnance Depot to a pier-loading point (termed "Operation Red Hat" by the U.S. Army). The GRI had been notified by the U.S. authorities concerned that an early decision was necessary in order to initiate construction immediately. The legislature worked in unison to accomplish this mission, but the local municipalities directly affected by the movement of the convoys objected vociferously and harassed the legislators with complaints that had little or no basis. After numerous surveys of several proposed routes and prolonged discussions, the legislature, on 12 March, unanimously decided on a route running from the east side of the Chibana Ordnance Depot through a portion of Misato-son, Ishikawa-shi, and Gushikawa-shi to Tengan Pier.

Another formidable issue requiring immediate legislative consideration was the reductions-in-force of Ryukyuan military employees occasioned by the retrenchment of bases on Okinawa and decreased military operating budgets. Confronted with its own inability to solve the problem, the legislature appealed to the Government of Japan (GOJ) on 5 March 1971 through two resolutions requesting appropriate measures for the solution of the mass dismissal problem of military employees and for the relief of base-related business enterprisers.

Initial actions of the legislature were focused on preparatory measures to insure an orderly transition to a prefectural status at the time of reversion. After a month's deliberations, the legislature resolved in early March that the incumbent Chief Executive and legislators should be continued as provisional governor and prefectural assemblymen, respectively, following reversion until such time as an election could be held. It was further resolved that the terms of office of the incumbent Chief Executive and legislators, due to expire in November 1971, should be extended until the accomplishment of reversion. Resolutions to this effect, addressed to both the Governments of Japan and the United States, were adopted by the OLDP majority on 5 March 1971. These resolutions seemed assured of approval as both Governments were receptive to the proposal.

The wide divergence of views between government and opposition parties was again visibly manifested during deliberations on a draft resolution concerning requests to be included in Part 2 of the "Outline of Reversion Measures" under preparation by the Japanese Government. Several meetings were held by the legislature's Special Committee on Reversion Measures in early March in an attempt to adjust opinions on the major issues considered objectionable by the reformists; namely, the establishment of an Okinawa Development Agency and a branch office of the national government on Okinawa, which the reformists claimed would strengthen central government administration over Okinawa to the detriment of prefectural autonomy; the deployment of the Japan Self-Defense Forces; and the handling of military-leased land. The reformists remained adamant and subsequently withdrew from committee discussions.



Chief Executive Choby Yara delivers his Administrative
Policy Message to the legislature

Failing to reach an understanding, the OLDP legislators, on 12 March 1971, unilaterally adopted a resolution covering a list of measures to be incorporated in the GOJ reversion plans. Although the reformists refused to participate in the session and in the legislative delegation that was selected to carry the resolution to Tokyo, they made it clear that they did not object to the resolution in its entirety.

The high priority given to reversion matters necessarily forced a delay in budget deliberations, and it was not until early June, after a 10-day boycott by the OLDP in protest against reported educational maladministration, that budget committee meetings were finally resumed, paving the way for the passage of the revised FY 1971 budget bills.

On 12 June 1971, Chief Executive Choby Yara delivered his FY 1972 Administrative Policy Message to the legislature (see pages 326 through 334, appendix II, for full text of this message). Keynoting the Chief Executive's address was his expressed opposition to the U.S. bases, the U.S.-Japan Security Treaty, and the planned deployment of elements of the Japan Self-Defense Forces to Okinawa. The OLDP charged that the message disregarded the reality of Okinawa's return to Japanese administration in 1972, while the local news media criticized the message as being "ideological and abstract" and lacking in concrete measures for the accomplishment of reversion.

The general stand of the reformist coalition paralleled the precepts outlined in the Chief Executive's message and called for direct opposition to the continued existence of the U.S. military bases and the extension of the U.S.-Japan Security Treaty to Okinawa. It was not surprising, therefore, that Chief Executive Yara refused to go to Tokyo to witness the signing of the reversion agreement on 17 June 1971 and that the Speaker of the Legislature, Katsu Hoshi, attended to express the appreciation of the OLDP and its supporters on the "joyous occasion." In a resolution adopted by the OLDP on 18 June 1971, the party formally expressed its gratitude for the materialization of reversion and its resolve to work in unison with Japan for the establishment of a new Okinawa Prefecture.

On 30 June 1971, the legislature found itself faced with a backlog of important legislative bills, including the FY 1972 General Account and Special Account Budgets, and decided to extend the session for 62 days until 31 August. Subsequently, the legislature's preoccupation with such pressing issues as chemical munitions removal, dismissals of U.S. Forces Ryukyuan employees, drought relief, and the currency situation brought about by Japan's flotation of the yen necessitated a reextension of the session until 30 September 1971.

In summary, the 44th Regular Session considered a total of 154 bills of which 147 were approved; two, disapproved; and two, carried over for further deliberation. The remaining bills were either withdrawn or tabled.

Some of the more important measures passed during this session were: the National Health Insurance Bill; Bill Covering Social Insurance Medical Fees Payment Fund, which created a quasi-governmental agency for the assessment and payment of national health and medical insurance fees; Amendment to the Medical Insurance Act; Anti-Public Nuisance Bill; Air Pollution Control Bill; Special Account Bill for the Pilot Training Center; Bill Concerning Emergency Interim Measures for Price Stabilization of Specified Commodities; Amendment to the Postal Service Act; FY 1972 General Account Budget, which provided for an appropriation of \$263,633,584; and a Bill Providing for the Personnel Strength of the Executive Branch and Legislature Secretariat, which fixed the number of employees at 16,432.

EXECUTIVE BRANCH OF THE GOVERNMENT OF THE RYUKYU ISLANDS

There were two major changes in the Executive Branch during this reporting period. Kiyoshi Tomikawa, a former official of the GOJ Autonomy Ministry, was appointed by Chief Executive Yara on 12 October 1970 to head the General Affairs Department. Mr. Tomikawa, whose appointment was temporarily blocked by the reformist coalition, succeeded Eiharu Nakamura. On 9 April 1971, Shinyu Miyagi, Director of the Planning Department, concurrently assumed the position of Director of the Taxation and Revenue Department with the resignation of Kazuo Itosu in the face of alleged customs irregularities involving the Daiichi Kigyo Company. On 18 May 1971, Chief Executive Yara appointed Shigeharu Arakaki,

board chairman, Okinawa Teachers Mutual Aid Association, as the new Director of the Taxation and Revenue Department.

A Reversion Measures Office was established in the Executive Branch on 1 October 1970 for the purpose of working out and coordinating policies in preparation for reversion in 1972. Hiroshi Senaga was appointed by the Chief Executive on 2 November 1970 as Chief of the new office, in addition to his duties as Alternate Adviser to the Preparatory Commission.

POLICIES AND PROGRAMS OF THE HIGH COMMISSIONER

High Commissioner James B. Lampert continued his visits to the outlying areas of the Ryukyu Islands to stay abreast of the needs and problems of as broad a segment of the Ryukyuan population as possible. His personal concern for their welfare was evidenced by his strong support in materializing a number of much-needed community projects through financial aid from the Special Assistance to Municipalities Fund. In other more remote areas, he directed elements of the Army's 1st Special Forces to provide skilled manpower and materials to assist the people in constructing small but vital projects. Teams of medical, dental, and veterinary specialists were also dispatched to attend to the health needs of these isolated communities.

CHAPTER 2

POLITICAL PARTIES AND DEVELOPMENTS

General

The paramount issue on the political scene during this reporting period was reversion and its resultant effects on the local governmental structure and the people's mode of everyday living. Of particular concern were the terms of the reversion agreement which were being negotiated by the Government of Japan (GOJ) and the United States. Local dissatisfaction over the level of Ryukyuan representation in these negotiations was alleviated to some degree with the election of Ryukyuan representatives to the Japanese Diet in the fall of 1970.

As negotiations progressed, appeals and petitions to both the U.S. and Japanese Governments increased in number as various political organizations directed their efforts toward having their individual views reflected in the reversion agreement. The legislature, in the longest session of its 20-year history, focused its attention on obtaining maximum support and concessions from the Japanese Government to promote a prosperous Okinawa Prefecture in the postreversion period. Meanwhile, visits of Ryukyuan legislative delegations to Tokyo and official and semiofficial groups from Japan to Okinawa increased in number and frequency as preparations were accelerated for the takeover of administrative control by Japan.

Political concentration on reversion-related matters was intermittently interrupted during the year by other more pressing problems. These included the shipment of toxic chemical munitions from Okinawa, the Koza riot incident, and the continuing reductions-in-force of Ryukyuan employees of the U.S. Forces.

Reversion

Reversion in 1972 was the major topic and received primary consideration in the party platform of every local political organization. While all parties welcomed reversion as the fulfillment of the people's long-cherished desire, differences in opinions on the future status of the military bases developed into a major point of confrontation between the conservatives and the reformists. The conservatives emphasized their desire for early reversion and supported a continuing, though reduced, number of U.S. bases on Okinawa. Conversely, the reformist elements demanded complete reversion with the withdrawal of all bases, even if this meant a delay in reversion. To underscore what they termed as inherent dangers connected with the continuation of the U.S. military role in East Asia, the reformist forces pinpointed such exploitable issues as the possible existence of nuclear weapons on Okinawa, visits



High Commissioner James B. Lampert chats with Foreign Minister
Kiichi Aichi at the High Commissioner's office in Sukiran
on 12 October 1970

of nuclear-powered submarines, operations of strategic reconnaissance aircraft, and the stationing of the Army's Special Forces troops on Okinawa. It was within the context of these two positions that appeals were made by Ryukyuan politicians both at home and in Japan.

Negotiations for the preparation of the reversion agreement got under way in Tokyo in early September 1970. The initial work on the agreement proceeded on a rather low key until after the election of Okinawa's representatives to the Upper and Lower Houses of the Japanese Diet. Once these Diet members were seated, Okinawa's direct voice in Japanese politics became much more audible. In matters of economic assistance, all of the Ryukyuan representatives tended to work in general accord; however, party platforms regarding the pros and cons of the continuation of U.S. base activities on Okinawa caused considerable strife, particularly during the Lower House interpellations of the Prime Minister and the members of his Cabinet. As expected, however, the strength of the conservative forces within the Japanese Diet prevailed.

Negotiations on the agreement continued until shortly before 17 June 1971, when the official signing took place simultaneously in Tokyo and Washington, D.C. Following this signing, ratification by the Japanese Diet and the U.S. Senate and the exchange of ratification documents were the final two steps required for the consummation of the actual reversion of Okinawa.

Local reactions in Naha to the terms of the agreement were varied. The Okinawa Prefectural Federation of the Japan Liberal Democratic Party (OLDP) stated that it was a matter of great joy that the accord was successfully signed based on the principles of reversion in 1972 with homeland-level bases without nuclear weapons, thus meeting the expectations of the prefectural people. The reformist forces, on the other hand, expressed opposition to the agreement, stating that it was regrettable that the contents were far from what was desired by the people. Ryukyuan economic circles welcomed the signing as signaling the beginning of the construction of a prosperous Okinawa Prefecture with the backing of the Government of Japan.

Chemical Munitions

The disclosure of the existence of toxic chemical munitions on Okinawa by the Wall Street Journal in the summer of 1969 prompted the Government of the Ryukyu Islands (GRI) to request the U.S. Civil Administration of the Ryukyu Islands (USCAR) for the immediate removal of all toxic chemical munitions from Okinawa. The U.S. Government agreed to withdraw the stockpiles as soon as another storage area could be located, but this proved more difficult than anticipated. It was not until the summer of 1970 that the U.S. Government reached a decision on Johnston Island and the construction of necessary facilities commenced. This delayed the movement of the first shipment of 150 tons of mustard gas until 13 January 1971.

Considerable speculation by the local news media as to the high degree of danger connected with the munitions shipments generated undue local fear and animosity when the route for the first shipment through the municipalities of Misato, Ishikawa, and Gushikawa was announced by the GRI.

On the day of the first munitions shipment, the dire predictions of alarmist elements of the population caused large numbers of the residents along the route to evacuate their homes or places of business and influenced the mayor and residents of Misato-son to demand the construction of a new route passing through less populated areas of the municipality.

By mutual agreement among the Government of Japan, the GRI, and the United States, a less direct course was selected passing through a remote section of the Chibana Ordnance Depot. Construction of the new road was completed in late June 1971; and subsequently, the U.S. Government announced that the final movement of the remaining chemical munitions would commence on 15 July 1971.

Despite the special precautions taken in the initial movement and the presence of a large number of highly trained U.S. chemical technicians who were called in to assure maximum safety throughout the entire operation, the local news media, together with officials of various "democratic" organizations, repeatedly criticized and condemned the military's proposed handling methods and safety practices. On the other hand, the



High Commissioner Lampert and GRI and GOJ officials (R) observe the passage of toxic chemical munitions through the village of Noborikawa, Misato-son

"OPERATION RED HAT"



Toxic chemical munitions arrive at Tengan Pier for shipment to Johnston Island

GRI leaders, encouraged by Japanese officials and technicians, played an important role in facilitating the accomplishment of the operation by enlightening and assuring the local people of the safeguards being established.

In the final analysis, it appeared that mutual cooperation won a total victory over fear in laying the groundwork for the successful movement of some 13,000 tons of chemical munitions during the summer months of 1971.

Koza Riot

On Saturday afternoon, 19 December 1970, the Okinawa Prefecture Reversion Council (FUKKIKYO) sponsored a demonstration and march in Misato-son, attended by approximately 1,600 people, to protest the storage of chemical munitions at the nearby Chibana Ordnance Depot. Nine days earlier, an American serviceman involved in the traffic death of a Ryukyuan pedestrian in Itoman-cho was acquitted by a military court. Public resentment over these two issues appeared to have set the stage for a series of disturbances which began in Koza in the early morning hours of 20 December 1970. A minor traffic accident involving an American driver and a Ryukyuan pedestrian occurred in central Koza, attracting a crowd from nearby bars, eating establishments, and hotels. No sooner had the Ryukyuan and military police evacuated those concerned in this accident to the Koza Police Station than a second minor accident occurred. This time the threatening crowd converged on the American car involved and restrained the occupants within the vehicle. After considerable difficulty, the military police managed to take the beleaguered Americans into custody and departed the scene of the confrontation, leaving the now very irate mob to seek an outlet for its pent-up emotions. Its first act of violence was the overturning and burning of an unoccupied police sedan, then other American cars in the immediate area were similarly destroyed. Finally, the mob split into two groups, one traveling south and the other proceeding along Gate 2 Street to Kadena Air Base, overturning and setting fire to all American vehicles along the way. A portion of the mob succeeded in intruding a short distance into Kadena Air Base and set fire to some newly constructed school buildings. In all, more than 80 American vehicles were destroyed, and considerable damage was inflicted on Ryukyuan business establishments in the course of the disturbance, which lasted more than 5 hours.

Subsequently, 68 adults and 14 juveniles were taken into custody by the Ryukyuan police; however, none were charged with rioting. Of those arrested, eight adults and three juveniles were indicted for arson, two adults were charged with gathering weapons, and 11 juveniles were referred to Family Courts for disposition on lesser charges.

Senkaku Islands

Continued geological exploration and evaluation of the seabed resources adjacent to the Senkaku Islands brought claims and counterclaims of

sovereignty over the area from the Republic of China on Taiwan and the Government of Japan. At the same time, the Chinese People's Republic also released press and radio announcements in support of its claim to the area. No actual attempts, however, were made by any of the claimants to exploit the potentially rich oil resources.

A minor confrontation occurred after a Taiwanese fishing vessel placed a Nationalist Chinese flag on uninhabited Uotsuri Island, the largest in the Senkaku chain, in mid-September 1970. Police from a GRI patrol vessel removed the flag a short time later, and the flag was subsequently returned to the Republic of China following an official request. The incident was settled without further difficulties when it was determined that a Taiwan newspaper and not the government had been responsible for the placement of the flag.

Due to the potential economic importance of the disputed area, none of the claimants appeared willing to forego their stake in the possible bonanza.

Visits by Nuclear-Powered Vessels

Nuclear-powered submarines continued to make occasional port calls at the White Beach Naval Facility, encountering little opposition or attention. Arrangements for U.S. notification to the GRI on such visits worked satisfactorily as did provisions for frequent monitoring by the GRI of the nuclear radiation levels of the areas used by the vessels.

Proposed Commercial Jet Pilot Training Center on Shimoji Island

Negotiations by the GOJ and the GRI continued throughout the year in an attempt to obtain agreement from the Irabu Island residents on the purchase of Shimoji Island for use as a pilot training center. Following an offer by the GOJ to increase its land purchase price in late September 1970, the Irabu Municipal Assembly urged the GRI to undertake contractual arrangements for the construction of the new facility. Chief Executive Yara pledged his backing for the project but was confronted with a strong recalcitrance on the part of the reformists which prevented him from obtaining a consensus supporting his position. At the end of June 1971, despite reformist objections and leftist attempts to sway the thinking of the Irabu residents, concrete arrangements for the commencement of the project appeared to be making progress.

B-52 Operations from Kadena Air Base

In late August 1970, U.S. officials announced the suspension of the temporary deployment of B-52 aircraft to Okinawa and notified the Government of Japan that the aircraft would be gradually withdrawn from Okinawa. This was substantiated on 24 September by Civil Administrator Robert A. Fearey who disclosed in a meeting with Chief Executive Choby Yara that all but one of the B-52 bombers had been withdrawn

from Kadena Air Base and that the one still remaining would depart as soon as repairs were completed on it. At the same time, the Civil Administrator emphasized that the withdrawal of the bombers would not preclude their redeployment to Okinawa in the future, should the necessity arise. In early April 1971, a small flight of B-52's landed at Kadena, taking temporary refuge from a typhoon which threatened their Guam base.

Party Conventions

The second regular OLDP convention was held in Naha on 21 February 1971 with approximately 400 party members in attendance. Dignitaries at the meeting included Chairman Tokuji Tokonami of the Japan Liberal Democratic Party's Okinawa Measures Special Committee, and Ryukyuan Diet members Junji Nishime, Kosho Kokuba, and Ichiro Inamine. The election of party officers resulted in the retention of all incumbents (President Seisaku Ota, Secretary General Shochi Ota, and Policy Research Committee Chairman Choko Kuwae) with the exception of Executive Board Chairman Yasukuni Yamakawa, who was succeeded by Keisho Kakinohana. The convention adopted a declaration and resolution calling for: (a) strengthening of the party structure to establish a firm political foundation for the prosperity of the people of Okinawa; (b) acceleration of the enactment of a Special Measures Law for the economic development of Okinawa and establishment of an Okinawa Economic Development Agency; (c) materialization of party policies to eliminate reversion fears in the fields of welfare, industry, culture, and education; and (d) attainment of victory in the June House of Councillors election and in the legislative by-election in the 7th electoral district.

The ninth regular convention of the Okinawa Prefectural Headquarters of the Japan Socialist Party (OSP) was held on 11 April 1971. Kosuke Uehara was elected chairman, and Zenshun Arakaki was reelected as secretary general of the party. During the meeting, the participants pledged to increase efforts for the establishment of a genuine reformist prefectural administration. Criticism was leveled at the Executive Branch for losing mass support because of its failure to adhere to reformist-supported opinions concerning personnel affairs and the construction of a pilot training center on Shimoji Island. Another criticism was that the Chief Executive had failed to carry out an administration based on the unified platform of the reformist parties due to strong pressure from the U.S. military and the Sato Government. The convention adopted a declaration opposing the reversion agreement and calling for the removal of all military bases and the abolition of the Security Treaty as prerequisites for the materialization of complete reversion of Okinawa.

Diet Elections

The first postwar Diet elections in Okinawa were held on 15 November 1970 following earlier passage of enabling legislation by the Japanese Diet and the GRI Legislature. The slate of registered candidates provided the

voters with a wide choice of partisan representatives. Vying for five seats in the House of Representatives were Junji Nishime, Kosho Kokuba, and Yasukuni Yamakawa, OLDP; Tsumichiyo Asato, Okinawa Socialist Masses Party (OSMP); Kosuke Uehara, OSP; Kamejiro Senaga, Okinawa People's Party (OPP); and Eikichi Tomori, Komei-To. The two seats in the House of Councillors were contested by Ichiro Inamine, OLDP; Shinei Kyan, Reformist Joint Struggle Council; and Keiryō Shimo zato, Independent.

Total voter registration for the fall election was 547,703, with 458,123 votes cast in the Lower House race and 458,079 in the Upper House contest for a voting percentage of about 83 percent. The voting pattern reflected the close balance between the conservatives and the reformist coalition, with neither side obtaining a majority.

The final official returns were as follows: Lower House--Nishime, 92,596; Senaga, 76,978; Uehara, 73,331; Kokuba, 65,104; Asato, 53,998; Tomori, 44,870; and Yamakawa, 34,641; Upper House--Kyan, 212,929; Inamine, 194,510; and Shimo zato, 20,264.

As Dietman Ichiro Inamine received the second largest number of votes in the House of Councillors race, his term was restricted by Japanese law to 7 months, after which he was again required to stand for election. This election on 27 June 1971 drew less interest than the first Diet election; and, after a lackluster campaign, Inamine emerged victorious over Chikashi Kinjo, the reformist coalition candidate. A third candidate, Binsho Sakima (Independent), had little support and lagged far behind. Final official returns of the 27 June House of Councillors election were as follows: Inamine, 188,085; Kinjo, 175,290; and Sakima, 2,637. Of the total voter registration of 545,936, only 370,711 went to the polls. Again in this election, the importance of a name candidate was most apparent in the pattern of voting.

In terms of full party representation, only the Komei-To candidate failed to obtain a seat in the Japanese Diet. This was not surprising as the Komei-To supporters totaled only slightly more than 10 percent of the registered voters.

Local Elections

Eighteen municipal mayoral elections were held during this reporting period. In these contests, the conservatives won in Irabu, Tarama, Nakazato, Zamami, Izena, Motobu, Chinen, Ishikawa, Kochinda, Ueno, and Tonaki, while the reformist forces were victorious in Ozato, Nago, Koza, Nakagusuku, Ogimi, Tomishiro, and Yomitan. The net change was a loss of two seats for the conservatives.

Forty-four municipal assembly elections were also held during this period, with 29 municipalities going to the conservatives, 14 to the reformists, and one (Gusukube-cho) splitting even. An analysis of these elections

revealed that the reformists were able to establish gains by narrow margins in three municipalities (Ozato, Sashiki, and Tomishiro), while the best the conservatives could do was to garner a split in the formerly reformist-controlled area of Gusukube-cho.

Legislative by-elections in districts 1, 4, 21, and 22, which were necessitated by the resignations of the incumbent legislators to run in the November Diet elections, were held in the late fall of 1970. Conservatives Matsuji Miyazato, Seijin Toguchi, and Anken Uezu were successful in three of the races, while OSMP candidate Masayoshi Asato was elected to the fourth seat. The death of Choko Yamashiro, OSMP legislator from the 7th electoral district, in January 1971 resulted in a March by-election in which conservative Saburo Odo won an easy victory. The results of the by-elections thus gave the conservatives two additional seats in the legislature, raising their total to 20 out of the 32 seats.



Foreign Minister Kiichi Aichi (R) signs the Okinawa reversion agreement for Japan while U.S. Ambassador Armin H. Meyer (L) looks on during a ceremony held at the Prime Minister's official residence on 17 June 1971

CHAPTER 3

PREPARATIONS FOR REVERSION

Reversion Agreement

The tempo of reversion preparations accelerated in the summer of 1970, and meetings between U.S. and Japanese Government officials in Tokyo became more frequent. In addition to working-level meetings by their staff members, U.S. Ambassador to Japan Armin H. Meyer and Foreign Minister Kiichi Aichi held monthly talks to confirm the progress made by their subordinates toward the conclusion of a reversion agreement and to exchange opinions concerning matters of pending interest to the United States and Japan. By September, the two Governments had reached a general agreement as to what items should be included in the reversion document and were able to begin consideration of specifics on an item-by-item basis. Throughout the course of these negotiations, essential data were provided to the negotiators and views communicated to them on a regular basis by U.S. civil and military authorities on Okinawa and by the Government of the Ryukyu Islands (GRI).

Negotiations moved steadily forward and, on 17 June 1971, the signing of the "Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands" took place simultaneously in Tokyo and Washington. In Tokyo, Foreign Minister Aichi signed for the Government of Japan (GOJ) in a ceremony attended by U.S. and Japanese dignitaries, including Prime Minister Eisaku Sato, Japanese Cabinet members, Ambassador Meyer, and High Commissioner James B. Lampert. In Washington, Secretary of State William P. Rogers signed the Agreement at the State Department in the presence of Japanese Ambassador Nobuhiko Ushiba.

The Agreement provided for the transfer of all U.S. civil administrative rights over the Ryukyu Islands and the Daito Islands to Japan; the application to these islands of all existing treaties between the United States and Japan, including the Treaty of Mutual Cooperation and Security Between the United States of America and Japan; the continued use by the United States of certain bases and facilities; the waiver of claims against the United States by Japan and its nationals; and the disposition of pending civil and criminal actions as well as prior court judgments. The Agreement also provided for the transfer of U.S.-owned corporations and assets to the GOJ; the payment of \$320 million to the U.S. Government by the GOJ over a period of 5 years; and the continued operation of the Voice of America on Okinawa for 5 years. The Agreement, after ratification by the U.S. Senate and the Japanese Diet, was to enter into force 2 months after the exchange of instruments of ratification in Tokyo.

Detailed and amplifying information on these matters was contained in the Agreed Minutes, Memoranda of Understanding, Exchanges of Notes, and

other supporting documents. In addition, certain matters not treated in the Agreement were provided for separately. Noteworthy in this respect were: the letter from Foreign Affairs Minister Aichi to Ambassador Meyer concerning the treatment of foreign nationals and firms, and the arrangement concerning assumption by Japan of the responsibility for the immediate defense of Okinawa. (For full text of the reversion agreement and related documents, see pages 337 to 382, appendix II.)

As of the end of June 1971, the Agreement had not yet received the required legislative approval from either Government, nor had a specific reversion date been fixed. However, with the signing of the Agreement, authorities in Okinawa, whose reversion planning had been contingent upon negotiations in Tokyo and who had devoted much of their preparatory efforts to providing information to the negotiators, were able to accelerate local preparations for reversion.

Preparatory Commission (PrepCom)

Local preparations for the transition to Japanese administration were also under way in Okinawa even while negotiations for the reversion agreement were in progress in Tokyo. The focal point of these activities was the Preparatory Commission which had been established on 3 March 1970 "for the purpose of consulting and coordinating locally on measures relating to preparations for the transfer of administrative rights, including necessary assistance to the Government of the Ryukyu Islands." The Commission, serving as the sole official channel for local consultation and coordination between the U.S. Government and the GOJ in Okinawa, reported and made recommendations to the two Governments through the United States-Japan Consultative Committee in Tokyo.

Alternate representatives to the Commission met regularly (at least once a week) and meetings of the Principals were held as necessary. Substantive matters were taken up in one of four subcommittees created to deal with specific areas; namely, industrial and economic affairs; local preparations for the transfer of administrative rights; local preparations to facilitate application of the Status of Forces Agreement to Okinawa; and general affairs. Moreover, ad hoc subcommittees were formed from time to time as required. (Details of the accomplishments of the Preparatory Commission during this reporting period are covered in Chapter 20 and on pages 244 through 253, appendix II.)

Government of the Ryukyus

Major emphasis of the GRI during the year was directed toward efforts to influence the nature of the reversion agreement, the timing of reversion, and the materialization of a variety of requests made of both the U.S. and Japanese Governments. These requests, for the most part, were based on recommendations of the "Prefectural People's Congress on Reversion Measures," which was formally inaugurated by Chief Executive Yara

on 16 January 1971 to obtain a wider representation of views concerning reversion planning. Frequent conferences were held by the Chief Executive with GOJ officials both in Naha and Tokyo. At the same time, his subordinates were occupied in providing information to GOJ ministries, agencies, and bureaus and in receiving briefings and technical instruction from GOJ officials in preparation for the transition to prefectural government status.

The GRI Legislature also addressed itself to reversion-related matters. The primary forum for discussions in that body was the Reversion Measures Special Committee, which was created on 3 April 1970. In addition to passing a series of resolutions levying demands on both the U.S. and Japanese Governments, the legislature took specific steps toward reversion by amending (or rescinding) a number of existing laws to bring them into conformity with Japanese laws. (For a more detailed account of legislative activity, see Chapter 1, "Government of the Ryukyu Islands Legislature.")

While some progress was made, few concrete actions were taken by the GRI to prepare for reversion. This was in part due to the fact that the specific terms of the reversion agreement were as yet unknown and in part due to the development of other pressing issues, such as currency matters and the removal of toxic chemical munitions, which demanded the full attention of the GRI representatives.

Okinawa Bureau of the Okinawa-Northern Territories Agency (OBONTA)

The Okinawa Bureau of the Okinawa-Northern Territories Agency, the GOJ body in Okinawa responsible for local reversion preparations, was established on 1 May 1970 as a successor agency to the Japanese Government Liaison Office which had operated in Okinawa since 1953. Headed by an official of the Prime Minister's Office, OBONTA's staff included officials from all of the key GOJ ministries and agencies. These officials maintained working-level contact with their GRI counterparts and provided advice and assistance to the GRI in all aspects of reversion planning.

During the year, over a thousand official and quasi-official Japanese visitors arrived in Okinawa under the auspices of OBONTA. These visitors included persons of Cabinet rank, members of the Diet, and officials from a variety of government ministries and agencies. The great majority were engaged in collecting information for use by the Japanese Government in reversion planning or in providing instruction and data to GRI officials to facilitate the unification of local practices and policies with those of Japan.

Guidance for postreversion planning was provided in two "Okinawa Reversion Measures Outlines" developed by the Okinawa-Northern Territories Agency; OBONTA's parent agency. These documents were approved by the Cabinet on 20 November 1970 and 23 March 1971, respectively. They set

forth in outline form the GOJ policy and plans for government, economic development, education, and other areas in postreversion Okinawa. Provision of these two outlines, coupled with the signing of the reversion agreement, placed local officials in a position to move forward more expeditiously with reversion preparations at year's end.

U.S. Civil Administration of the Ryukyu Islands (USCAR)

The United States Civil Administration of the Ryukyu Islands was closely involved in all phases of reversion preparations during this reporting period. Both the High Commissioner and Civil Administrator were consulted frequently by U.S. officials in Tokyo and Washington. At the same time, USCAR was the source of statistics, information, and recommendations required by U.S. negotiators in dealing with their Japanese counterparts.

USCAR also provided guidance and support for the U.S. Element of the Preparatory Commission in Naha. This support included technical expertise, data, and personnel for the various PrepCom subcommittees dealing with a wide range of reversion-related matters.

Internal planning for the phaseout of the U.S. Civil Administration was accelerated during the year. Initial plans for a reduction-in-force of both U.S. and Ryukyuan employees were drawn up, and preliminary discussions were conducted concerning the transfer or elimination of functions. A concrete step in this direction was taken on 1 December 1970 with the relinquishment of 14 advisory and assistance functions, recommended by the PrepCom and approved by the U.S.-Japan Consultative Committee, to the Japanese Government and joint participation with the GOJ in three other functions.

CHAPTER 4

LEGAL AND JUDICIAL AFFAIRS

General

As in the previous reporting period, the major portion of the time and effort of members of the Legal Affairs Department during the year was devoted to reversion matters. Negotiating positions, compilations of essential information, legal analyses, and preparation of future plans were among the many and varied papers that required urgent attention. Much of this work was done at the request of the American Embassy in Tokyo or the Department of State; other items were required by various Washington agencies.

Principal continuing activities of the department were the monitoring of High Commissioner (HICOM) legislation with emphasis on encouraging the replacement of ordinances by local laws; maintenance of the joint U.S. Civil Administration of the Ryukyu Islands-Government of the Ryukyu Islands (USCAR-GRI) Legislation Screening Committee, the HICOM Clemency Board, and the Land Advisory Committee; and the furnishing of legal advice and assistance to all local U.S. agencies, the USCAR public corporations and petroleum activity, as well as to the GRI and agencies of the Japanese Government. The department also supervised all aspects of the administration of justice, which included maintaining close working relations with the GRI prosecutors and judiciary as well as the military staff judge advocates, and overseeing the operations of the USCAR courts and the U.S. Land Tribunal. Another important function was the execution of the U.S. land program in the Ryukyus and administration of public lands through the Ryukyuan Property Custodian.

Legislation Screening Committee

The review of proposed and passed bills in the 42d Regular Legislative Session, which remained in session through 31 August 1970, was continued by the USCAR-GRI Legislation Screening Committee during the first half of this reporting period. From 1 July 1970, the committee held 10 meetings to coordinate and clear 30 proposed bills for introduction into the legislature in the 1970 session and 126 passed bills for approval by the Chief Executive.

With the convening of the 44th Regular Session on 1 February 1971, the committee held four meetings to discuss bills in the 1971 legislative session. As of 30 June 1971, the committee had cleared for introduction into the legislature 77 of the 107 proposed bills that had been received. Forty-two passed bills were also received, of which 28 were cleared for

approval by the Chief Executive. The remaining bills pertained to budget matters.

High Commissioner Legislation

During FY 1971, one directive was issued, two ordinances were rescinded, and four ordinances were amended.

a. Civil Administration (CA) Directive No. 1, "Establishment of Kinwan Port," was issued on 1 August 1970 to authorize and regulate establishment of port and terminal facilities by the Gulf Asian Terminals, Inc. (see pages 239 through 243, appendix II).

b. CA Ordinance No. 85, "Responsibility for Financial Institution Audits," dated 30 September 1952, was rescinded in its entirety since similar responsibilities were adequately provided for in GRI laws.

c. HICOM Ordinance No. 33, "Administration of Mining and Prospecting Rights," dated 24 June 1960, was rescinded when a parallel GRI law came into effect.

d. CA Ordinance No. 144, "Code of Penal Law and Procedure," dated 16 March 1955, was amended to exclude very low power radio frequency emitting devices from the restrictions prescribed in Section 2.2.33.

e. HICOM Ordinance No. 59, "Control of Narcotics," dated 22 September 1965, was amended to include LSD (lysergic acid diethylamide) and certain other drugs consistent with amendments to the GRI Narcotics Control Act.

f. CA Ordinance No. 116, "Labor Relations and Labor Standards Concerning Ryukyuan Employees," dated 18 August 1953, was amended twice during the reporting period: Change No. 20 increased the minimum wage to 30¢ an hour, and Change No. 21 revised the holiday schedule to conform to the U.S. Federal schedule.

g. CA Ordinance No. 147, "Control of Travel by Residents of the Ryukyu Islands," dated 13 August 1955, was amended by abolishing the original application forms and authorizing the GRI Immigration Agency to prescribe new forms with the approval of the Civil Administrator.

High Commissioner Clemency Board

The High Commissioner Clemency Board, composed of two USCAR and two GRI representatives, considered two petitions for clemency action which had been carried over from the previous reporting period. Based on recommendations of the board, the High Commissioner, on 22 September 1970, reduced by one-fourth the unexecuted portion of the two 10-year sentences in the case of one petitioner and, on 16 February 1971, commuted to life imprisonment a death sentence of another petitioner.

USCAR Courts

Prosecutions

Criminal charges against 223 Ryukyuan and other non-U.S. Forces personnel, including 29 juveniles, were reviewed and referred to the GRI Public Procurator's Office for disposition in GRI courts. The breakdown by offenses was as follows:

<u>Offense</u>	<u>Section of CA Ordinance No. 144</u>	<u>Offenders</u>
Larceny	2.2.6a	48 (3 juveniles)
Illegal Possession of Weapon or Explosive	2.2.5	41 (2 juveniles)
Aggravated Assault	2.2.12	30 (3 juveniles)
Simple Assault	2.2.12.1	35 (2 juveniles)
Housebreaking	2.2.31	5 (5 juveniles)
Dealing in Stolen Property	2.2.7a	6
Burglary	2.2.30	1 (1 juvenile)
Bribery	2.2.13a	6
Robbery	2.2.45	3
Failure to Disperse Upon Police Order	2.2.34	19 (7 juveniles)
Destruction of Property	2.2.6.2a	25 (4 juveniles)
Wrongful Appropriation	2.2.6.1a	2 (2 juveniles)
Assault with Intent to Rape	2.2.3	1
Counterfeit	2.2.11	1

USCAR Superior Court

There were five criminal cases during this reporting period, all involving military dependents. One military dependent charged with and found guilty of possession of marijuana after a trial by jury was sentenced on 23 March 1971 to 6 months' imprisonment, of which all but 30 days was suspended for 2 years. He returned to the United States for rehabilitation on 29 March 1971. A military dependent charged with and found guilty of delivery of heroin was sentenced on 14 June 1971 to 6 months' imprisonment, suspended for 2 years, and subsequently returned to the United States for rehabilitation. Another military dependent charged with possession of heroin was indicted by a grand jury, but the case was subsequently dismissed on 28 June 1971 at the request of the prosecution after the suicide of defendant's husband. A dependent husband charged with larceny was found guilty and sentenced on 28 June 1971 to imprisonment for 6 months, suspended for 2 years, and fined \$250. One case of homicide was pending, awaiting trial by jury.

The ninth grand jury, comprised of nine jurors and selected to serve for 1 year, was impaneled by the court on 12 February 1971. The grand

jury was called in session twice and voted indictments in two drug cases, larceny, and vehicular homicide.

USCAR Civil Court

After a hearing for examination and commitment of an insane person, a veteran of the United States Army was ordered on 16 November 1970 to be transferred to the United States for further treatment.

The damage suit filed on 29 November 1967 by Harold G. and Patricia Fix against the Matsuoka Electric Company still remained pending in the absence of a request from either party to commence the proceedings on the merits. No date has been fixed for hearing.

USCAR Sessions Court

Charges of homicide against a military dependent were dismissed on 24 July 1970 after a finding of doubt concerning her mental capacity. Five American civilian employees of the United States were tried for aggravated traffic offenses during the fiscal year. Fines collected totaled \$475.

USCAR Appellate Court

No case was received by the court during the reporting period.

U.S. Land Tribunal

After three extended hearings, the Tribunal denied a fishery claim filed by 55 petitioners in an original amount of \$555,024.21 and subsequent losses of \$42,684.17 per year. An appeal was filed and forwarded to the Secretary of Defense on 13 January 1971. One additional fishery claim for \$637,807.82 covering the period 28 April 1952 to 27 April 1970 and subsequent annual loss of \$41,351.16 was filed during the year. Motions to dismiss each of the pending 16 fishery claims have been filed by the respondent.

Four full days of hearings were held by the Tribunal on petitions requesting additional special rentals concerning lands in the Kadena area, involving 1,110 petitioners owning 1,483,503 tsubo of land. Several motions and written arguments were filed in June, and the case was under consideration by the Tribunal as of the end of the reporting period. Ten other petitions for special additional land rentals representing 7,618 petitioners were also filed during the current year.

Hearings on the 16 fisheries claims and 66 land cases pending on the docket will be set upon request of the petitioners. Informal agreements between counsel have been noted to the effect that the fisheries claim now on appeal will be a precedent applying to pending fisheries petitions and that the Kadena area hearings will form a precedent for the remaining land rental petitions.

GRI Courts

Prosecutions

A decline was seen in the workload of the GRI Procurators' Offices during the year, with the number of new cases totaling 66,003 compared with 69,006 in the previous fiscal year. Breakdown by type of case and disposition was as follows:

	<u>Cases Pending 1 Jul 70</u>	<u>New Cases FY 71</u>	<u>Prose- cution Initiated</u>	<u>Prose- cution Suspended*</u>	<u>Referred to Family Court, etc. **</u>
TOTAL	<u>1,047</u>	<u>66,003</u>	<u>45,674</u>	<u>8,739</u>	<u>11,948</u>
Violation of GRI Penal Code	588	6,689	2,676	1,749	2,469
Violation of HICOM Ordinance	18	198	48	121	43
Road Traffic Code Cases	18	55,879	40,680	6,147	9,081
Violation of Election Laws	0	504	110	245	148
Violation of FUZOKU (catering and entertainment) Business Law	155	1,779	1,614	220	9
Narcotics Cases	1	97	38	22	29
Violation of Other Laws	267	857	508	235	169

* Figures include cases dropped for insufficient evidence or for lack of criminality.

** Cases involving juveniles are first referred to the Family Court. Figures also include intra-procurators' office referrals (1,573 cases).

The GRI Judiciary

Overall court activity decelerated slightly during this reporting period. The number of cases on the GRI court docket in FY 1971 totaled 98,340 compared with 99,604 in the previous fiscal year. By 30 June 1971, disposition had been made of 88,369 cases (89.9 percent).

FY 1971

	<u>Cases Completed</u>	<u>Cases Pending</u>	<u>Total Cases</u>
<u>Summary Courts (5)</u>			
Civil	15,503	2,038	17,541
Criminal and Traffic	<u>47,938</u>	<u>290</u>	<u>48,228</u>
Total	63,441	2,328	65,769
<u>Naha District Court</u> <u>and Four Branch Courts</u>			
Civil	2,641	4,406*	7,047
Criminal	<u>4,833</u>	<u>673</u>	<u>5,506</u>
Total	7,474	5,079	12,553
<u>Naha Family Court</u> <u>and Four Branch Courts</u>			
Domestic	3,540	951	4,491
Criminal	<u>13,684</u>	<u>1,410</u>	<u>15,094</u>
Total	17,224	2,361	19,585
<u>Ryukyu High Court</u>			
Civil	72	77	149
Criminal	<u>158</u>	<u>126</u>	<u>284</u>
Total	230	203	433

* Over half of these cases were actions by GRI employees against the GRI for recovery of a day's lost wages for unauthorized mass absenteeism.

As of 30 June 1971, there were seven High Court justices (including the chief justice), 22 District Court judges, seven assistant District Court judges, five Family Court judges, one assistant Family Court judge, and 11 Summary Court judges. There were two vacancies--one in the District Court and the other in the Summary Court.

Training Programs

A fellowship grant from the Southwestern Legal Foundation, Dallas, enabled a Ryukyuan judge to attend a 7-week "Academy of American and International Law" held at Southern Methodist University Law School in Dallas, Texas, in May 1971. Transportation was provided by the Asia Foundation.

A number of Ryukyuan judges, court clerks, investigators, prosecutors, prosecutor assistants, and administrative personnel of the GRI Legal Affairs Department participated in various training courses conducted by the Government of Japan (GOJ) Justice Ministry and the Supreme Court of Japan under the GOJ Technical Assistance Program. Several judicial apprentices were also enrolled in a 2-year course at the Legal Research and Training Institute of Japan.

Under a 1969 Japanese prereversion special measures law outlining procedures for admittance of Ryukyuan judges, prosecutors, attorneys, and

other qualified members of the bar to unlimited practice in Japan, 183 Ryukyuan lawyers successfully passed the examinations and met the necessary requirements, which included completion of 144 hours of training under staff instructors of the Legal Research and Training Institute of Japan.

Trial Observer Program

In early January 1971, the High Commissioner proposed the implementation of a trial observer program in the Ryukyu Islands, similar to the system established under Article XVII of the Status of Forces Agreement between the United States and Japan, in order to make possible a better understanding within the Ryukyuan community of U.S. military justice procedures. Under this program, official GRI observers nominated by the Chief Executive from among the qualified members of the Ryukyuan bar and judiciary are given right of access to U.S. military courts-martial conducted in the Ryukyus which involve the interests of the local community.

This program was approved by the Chief Executive; and, on 15 June 1971, Shoshichi Maekura and Seikyo Thoma of the GRI Legal Affairs Department, Rinei Takara and Toshimitsu Takaesu of the GRI Procurator's Office, and Minoru Uechi and Risei Higa of the Okinawa Lawyers Association were appointed as members of the trial observer panel.



Trial observers pay a courtesy call on Director Richard K. McNealy (R) of the USCAR Legal Affairs Department (L-R) Shoshichi Maekura, Seikyo Thoma, Rinei Takara, Minoru Uechi, and Risei Higa

LAND PROGRAM

General

In keeping with U.S. policy to reduce land holdings wherever possible, 1,544.94 acres of land leased by or allocated to the United States were returned to the owners during FY 1971. Motobu Auxiliary Airfield was released in its entirety. The rest of the releases consisted of portions of installations. A breakdown of the acres released was as follows:

<u>Installation</u>	<u>Location</u>	<u>Acres Released</u>	<u>Date Released</u>
Awase Communications Annex	Misato-son	79.11	10 Jul 70
Yomitan Auxiliary Airfield	Yomitan-son	217.84	10 Jul 70
Camp Sukiran	Kitanakagusuku-son	.55	15 Dec 70
Kume Shima Air Station	Nakazato-son Gushikawa-son	3.78) 6.83)	10.61 30 Jun 71
Miyako Jima Air Station	Hirara City Ueno-son	1.15) 23.00)	24.15 30 Jun 71
Yozadake Air Station	Itoman-cho Kochinda-son	14.26) 4.15)	18.41 30 Jun 71
Motobu Auxiliary Airfield	Kamimotobu-son	450.63	30 Jun 71
Camp Hauge	Misato-son	13.24	30 Jun 71
Camp Courtney	Gushikawa City	98.12	30 Jun 71
Camp Hansen	Onna-son Kin-son	47.84) 48.64)	96.48 30 Jun 71
Camp Hansen North Training Area	Ginoza-son	43.84	30 Jun 71
Camp Schwab North Training Area	Ginoza-son Nago City (Kushi)	83.66) 174.11)	257.77 30 Jun 71
Higashionna Ammunition Storage Annex	Ishikawa City	<u>234.19</u>	30 Jun 71
	TOTAL	1,544.94	

An additional 178.68 acres were slated to be released by 31 August 1971 as follows:

<u>Installation</u>	<u>Location</u>	<u>Acres</u>	
Camp Kubasaki	Nakagusuku-son	12.45	
Camp M. G. Shields	Misato-son	137.39)	
	Koza City	12.05)	149.44
Berthing Pier, Chimuwan	Gushikawa City	<u>16.79</u>	
	TOTAL		178.68

The reaction of the public to this trend has been ambivalent. Some municipal officials and landowners have registered disappointment in the release of land as it meant less income. At the same time, the press has reported requests by various landowner groups and associations demanding the return of their property and for the United States to diminish its land holdings in the Ryukyu Islands. Land restoration liability, after real estate has been returned by the U.S. Forces, has also been a matter of concern; and land interests have been seeking assurances for continuing U.S. responsibility in this area.

Claims

During this fiscal year, 11 claims for the restoration of 733.56 acres (3,441 tracts) of land released by the U.S. Government to its original condition or payment in lieu thereof were received from 3,441 claimants in the total amount of \$4,992,599.18. These claims were forwarded to the Deputy Division Engineer, West Pacific (DDEWP), which has the responsibility for determining the validity of such claims and notifying the using service agency of said determination. Of the 11 land restoration claims received by DDEWP, two have been settled; namely, that of Yozadake, Kochinda-son, submitted in the original amount of \$6,081.90 and settled for \$1,205.35, and that of Yomitan Airfield, Yomitan-son, submitted in the original amount of \$1,012,124.85 and settled for \$25,665.50. The remaining nine claims were still under processing as of the close of this reporting period.

Three additional claims totaling \$1,023.78 were received from six claimants for damage to private property caused by U.S. Forces in training exercises and/or accidents. These damage claims were forwarded to the responsible agency for appropriate action.

U.S. Land Holdings and Rentals

As of 30 June 1971, the U.S. Government had approximately 48,000 acres of private and municipal property under lease, and was utilizing some 24,100 acres of public domain land allocated to the military services and agencies without charge by the Ryukyuan Property Custodian, USCAR.

From 1 July 1950 through 30 June 1971, U.S. payments for land rental and improvements totaled \$117,383,886.78. Of this total, \$87,353,353.27 was paid to the landowners since the 1958 Ryukyuan-American Land Conferences. Rental disbursements to landowners in FY 1971 by the GRI Military-Used Land Office, in accordance with a service contract between the United States and the GRI, amounted to \$9,128,184.30. (See tables 1 and 2, pages 401 and 402, appendix V, for listing of payments by fiscal year and by recipient municipalities.)

Training Permits

Land, other than that acquired under a leasehold interest, is used by the military for training purposes. Permission for use of this land is obtained through negotiations with various municipal offices, and compensation is based on the actual number of days used annually. During FY 1971, the following training areas covering 2,922.50 acres were used under this permit system: Aha Training Area (Kunigami-son) 1,900.50 acres; Kawata Training Area (Higashi-son), 923 acres; Ukibaru Shima (Katsuren-son), 77 acres; and Sedake #1 and #2 (Nago City, Kushi Branch Office), 22 acres. Total rental paid for the use of these areas was \$11,210.73.

Encroachments

Approximately 1,500 cases of new encroachments (mostly advertising signs) were reported during FY 1971. This brought the total number of encroachments uncovered since the implementation of an inspection program in 1963 to 22,200. Of these, 20 percent were removed either through the efforts of the GRI or as the result of the land being released to the owners by the U.S. Government, while 7 percent were authorized to be retained.

Licensing Program

The United States permits farming and gathering of firewood within military areas which are not immediately required and where security is not affected. Such farming is conducted at the individual's risk, with no compensation for any crop losses in the event the United States has a requirement for this land. As a practical matter, however, farmers are generally permitted to harvest their crops. Licenses for the use of the land are executed with the mayors of the municipalities concerned. As of 30 June 1971, the licensing program covered approximately 13,580 acres of U.S.-leased land.

GRI Land Survey Program

Under a land survey program initiated by the GRI in FY 1958, a cadastral survey of 102.07 square kilometers in Okinawa and Miyako Gunto was completed in FY 1971 at a total cost of \$276,226. The FY 1972 program calls for the completion of an additional 105 square kilometers, and a total of \$333,333 (GOJ, \$222,222; GRI, \$111,111) has been earmarked for the purpose. Upon completion of the FY 1972 survey, approximately 61 percent of the land survey program will have been completed.

CHAPTER 5

PUBLIC SAFETY

GOVERNMENT OF THE RYUKYU ISLANDS POLICE AND LAW ENFORCEMENT

General

The Public Safety Department, U.S. Civil Administration of the Ryukyu Islands (USCAR), works closely with the Government of the Ryukyu Islands (GRI) on all matters pertaining to public safety, security, and immigration, particularly where the security, property, and interests of the United States are involved. The department also serves as a coordinator between the military and local law enforcement agencies in investigations of major crimes and/or incidents involving Ryukyans and U.S. Forces personnel.

Police Department

The GRI Police Department, which was reorganized on 1 October 1969 under GRI Legislative Act No. 93 of August 1969, is administered by a three-man Public Safety Commission appointed by the Chief Executive with the consent of the legislature. The Chief of Police is appointed by the Commission.

The authorized strength of the GRI police was increased by four uniformed and 31 civilian employees during FY 1971 to meet the requirements created by the institution of a "cash register" system for the payment of traffic fines and the acquisition of a new 350-ton patrol-rescue vessel. As of 30 June 1971, the authorized police strength stood at 1,983, comprised of 1,860 police officers and 123 civilian employees. Of this total, 569 were stationed at the Ryukyu Police Headquarters, with the remaining personnel assigned to the 12 district stations and 226 substations and police boxes throughout the Ryukyu Islands.

Legislation

The following bills affecting the activities of the GRI Police Department were enacted by the 44th Regular Session of the GRI Legislature:

Amendment to the Road Traffic Law

Major changes to the Road Traffic Law (Act No. 109 of 1963) raised the penalties for drunken driving. The maximum penalty for driving a vehicle while under the influence of alcohol was raised from 1 year to 2 years of confinement under the new law. Revisions also provided punishment for any person who knowingly offers or serves alcoholic beverages to a driver or for a safety officer of the transportation company

who allows or causes a driver to operate a vehicle while under the influence of liquor. In addition, traffic officers were empowered to perform breath tests on any vehicle operator appearing to be intoxicated.

Amendment to the Police Law

With the transfer of fire and disaster responsibilities from the Police Department to the newly established General Planning and Coordination Office within the GRI General Affairs Department effective 1 October 1970, the Police Law (Act No. 93 of 1969) was amended to delete these functions.

Amendment to the Second-Hand and Pawnbroker Business Laws

The Second-Hand Business Law (Act No. 39 of 1953), as amended, was further amended to bring it into conformity with Japanese law. Under this revision, a dealer in second-hand goods is no longer required to obtain permission from the Public Safety Commission when dismissing his business manager although this requirement still applies when employing a business manager for the first time or when replacing him with another. Furthermore, the stipulation for the renewal of licenses every 3 years for the operation of a second-hand business or a market dealing in second-hand goods was eliminated; however, the validity of licenses for peddling or operating street-stalls remained at 3 years. The change also deleted the requirement of obtaining the approval of the Public Safety Commission for the destruction of account books, provided 3 years had elapsed from the date of last entry.

The Pawnbroker Business Law (Act No. 40 of 1953) was also amended to parallel the Japanese law. The revisions were similar to those made to the Second-Hand Business Law with further changes as follows: eliminating the requirement for the submission of a daily report of articles received in pawn to the police station superintendent, delegating authority to the Public Safety Commission to establish uniform standards covering safekeeping facilities for pawned articles, and setting the date of forfeit at not less than 3 months from the date of pawn contract.

Revision of Memorandum of Understanding for Investigative Procedures

During the period July-November 1970, representatives of the USCAR Public Safety Department, GRI Police Department, and the Provost Marshal, U. S. Army, Ryukyu Islands (USARYIS), worked out a revised Memorandum of Understanding for Investigative Procedures. This revised memorandum, superseding a previous memorandum dated 14 April 1967, was signed on 18 November 1970 by the Chief of Police, GRI; Provost Marshal, USARYIS; and Director, Public Safety Department, USCAR.

The purpose of this revised memorandum was to strengthen cooperation and to improve procedures for joint U.S.-GRI police investigations to include prompt notification and exchange of information concerning incidents involving U.S. Forces personnel and Ryukyuan, both on and off

military installations. Major revisions included provisions for the GRI police to remove a U.S. Forces suspect to the nearest police station prior to his transfer to U.S. authorities; improved notification procedures to permit both GRI and U.S. authorities to participate from the outset in joint investigations of cases involving U.S. Forces personnel and Ryukyuans; and advance notification to the GRI on trial dates and results of trials. (See pages 254 through 263, appendix II, for the joint U.S.-GRI announcement on cooperation and text of the revised Memorandum of Understanding.)



Representatives of GRI, USCAR, and USARYIS Provost Marshal hold a press conference on the revised Memorandum of Understanding. Seated at head table are (L-R) Tokusuke Arakaki, Chief, GRI Police Hq.; H. N. Simmons, Director, USCAR Public Safety; and Colonel M. Wheatley, USARYIS Provost Marshal

Criminal Identification and Crime Laboratory

The Identification Section of the Ryukyu Police Headquarters has become a centralized clearinghouse for criminal identification data, with over 140,000 fingerprint cards and 80,000 photographs in its files. During this reporting period, the section processed a total of 15,969 fingerprint cards and 7,730 names received from local police stations and the U.S. military and identified 4,887 persons with past criminal records and 96 persons with aliases. Moreover, a comparison of 936 fingerprint impressions lifted from scenes of crime with the fingerprints on file

resulted in the identification and arrest of 103 suspects. The section's photograph files were frequently and effectively used during this reporting period in the preparation of wanted posters on 753 fugitives which were circulated throughout the Ryukyu Islands. These posters led to the apprehension of 479 criminals and the location of 10 out of 12 persons reported as missing.

During the year, specialists of the Crime Laboratory performed 45 autopsies; examined 239 corpses, 18 victims of criminal acts, as well as 4,322 pieces of evidence; conducted 110 polygraphic tests; and participated in the investigation of crimes on 241 occasions.

Crime Trends

Criminal Code Violations

There was a general decline in the number of criminal offenses reported to the GRI police during FY 1971, with total crimes decreasing by 2,760 cases (17.8 percent) from the previous year to 12,704. Among the major crimes, the only exception was seen in robbery, which rose by 31.3 percent, murder remained unchanged, rape decreased by 11.3 percent, and arson dropped by 5.7 percent. Larceny (including burglary, pick-pocketing, shoplifting, and auto theft), which constituted 63.8 percent of the total criminal code violations in FY 1971, showed a decline of 15.3 percent from the past year.

Of the 12,704 cases of criminal code violations, the GRI police were successful in solving 8,112 cases through the arrest of 5,939 persons, thereby achieving an overall clearance rate of 63.9 percent, the highest recorded in the past 10 years. In individual crime categories, the percentage of crimes solved was as follows: murder, 96.6 percent; assault and battery, 94.6 percent; rape, 88.2 percent; fraud, 86.4 percent; robbery, 73.4 percent; extortion, 72.2 percent; and larceny, 49.5 percent. The higher solution rate in the area of major crimes was due to police concentration on these types of offenses while the comparatively lower solution rate of crimes against property was attributed to the volume of cases involved and the lack of substantiating evidence and witnesses.

Of the 5,939 persons arrested for criminal code violations during FY 1971, 2,043 (34.4 percent) were juveniles. In specific categories, the percentage of juveniles making up the total arrests for larceny was 64.2 percent; extortion, 55.9 percent; and robbery, 47.2 percent. The ratio of juveniles in other offenses, such as rape, assault and battery, and arson, ranged from 35 to 39 percent of the total arrests. (See tables 3 and 4, pages 403 and 404, appendix V, for detailed statistics on criminal code violations.)

Administrative Law Violations

During this reporting period, 101 persons were taken into custody by the GRI police for violation of U.S. Civil Administration ordinances

and/or proclamations; 2,343 others were arrested for infraction of GRI administrative laws and regulations, such as the FUZOKU (catering and entertainment) Business Law, Firearms Control Law, election laws, etc.

Illegal Possession and Smuggling of Firearms

During January through March 1970, a series of thefts of small arms from military installations were reported by the U.S. Forces. Subsequent investigations by the GRI police uncovered information that organized racketeers were attempting to smuggle these firearms into Japan. On 3 September 1970, a special unit was established in the Ryukyu Police Headquarters to conduct a thorough probe into the alleged smuggling operations in close coordination with military investigative agencies. This culminated in the arrest of 40 persons and impoundment of 29 pistols, nine rifles, and 2,141 rounds of small arms ammunition. The investigative activities of this unit were also responsible for the arrest of two suspects attempting to disembark at Kobe, Japan, on 12 March 1971 with six pistols and ammunition in their possession and for the subsequent apprehension of five other Ryukyuan accomplices.

Glue Sniffing

The first case of glue sniffing by a Ryukyuan youth came to the attention of the GRI police in the early summer of 1968. By mid-summer 1969, a total of 15 youths had been picked up by the police for glue sniffing or inhalation of paint thinner, all of whom were released to the custody of their parents due to the nonexistence of penal provisions covering these offenses. The number of juveniles involved in glue sniffing increased rapidly; and, during FY 1971, 558 youths, including 80 girls, were picked up by the police. At least two deaths, one attempted suicide, and three cases of mental derangement have been attributed to the abusive use of glue and paint thinner.

Narcotics

Narcotics violations have increased at an alarming rate in the past year, requiring concentrated and coordinated efforts by local and military law enforcement agencies to stem the flow and use of dangerous drugs. During this reporting period, 141 persons, including a large number of U.S. Forces personnel, their dependents, and U.S. passport civilians, were apprehended for the possession of marijuana, LSD, and other drugs, such as heroin, morphine, and opium. A breakdown of those arrested was as follows:

	<u>Ryukyuan</u> s	<u>Members of the</u> <u>U.S. Armed Forces</u>	<u>U.S. Passport</u> <u>Civilians</u>
TOTAL	67	39	35
Adult, male	32	36	18
Adult, female	16	0	12
Juvenile, male	15	3	3
Juvenile, female	4	0	2

The GRI police also confiscated 11,390 grams of marijuana, 51 grams of LSD, 634 grams of heroin, 46 grams of morphine, and 28 grams of opium during the year. The majority of the U.S. passport civilians were ex-servicemen who had returned to Okinawa after discharge from military service.

Rallies and Demonstrations

Mounting anxiety and tension among the local populace over the military's reduction-in-force program, crimes by U.S. servicemen, removal of chemical munitions, and U.S.-Japan negotiations on the reversion agreement precipitated a total of 198 rallies, demonstrations, and work stoppages during this reporting period, 51 more than in the previous year. As in the past, the All-Okinawa Military Employees Trade Union (ZENGUNRO), Okinawa Prefecture Reversion Council (FUKKIKYO), and Anti-Atomic and Hydrogen Bomb Council (GENSUIKYO) were the prime movers of labor and political demonstrations. The following were some of the major rallies and demonstrations staged during FY 1971:

a. ZENGUNRO carried out a 48-hour work stoppage in September 1970 and again in February, March, and April 1971 to protest the dismissals and work-hour reductions of Ryukyuan military employees. Approximately 600 to 1,000 policemen were mobilized on each occasion to monitor and control pickets and to prevent clashes between the unionists and businessmen in central Okinawa whose operations and income were seriously affected by the ZENGUNRO walkouts. Several individual ZENGUNRO Chapters, namely, Post Exchange, U.S. Marine Corps, Marine Corps Air Station, Kadena Air Base, Machinato, and Sukiran, staged a total of 25 work stoppages during the year for periods ranging from 8 to 24 hours.

b. FUKKIKYO activities became increasingly pronounced with a series of rallies staged throughout this reporting period. Beginning with a mass rally on 21 October 1970 (Antiwar Day) to oppose the Vietnam War and to demand the reversion of Okinawa without military bases and the abrogation of the U.S.-Japan Security Treaty, the organization held a protest rally on 16 December 1970 denouncing the acquittal of a serviceman involved in a fatal traffic accident in Itoman, and two rallies on 19 December 1970 and 11 January 1971 to demand the immediate removal of toxic chemical munitions from Okinawa. Other major rallies were held on 28 April 1971 (Okinawa Day) and 19 May 1971 in protest against the U.S.-Japan reversion negotiations which FUKKIKYO claimed were being carried out in line with the Nixon-Sato Communique in disregard of the people's wishes. Again on 17 June 1971, mass rallies were sponsored in Naha, Nago, Hirara, and Ishigaki to protest the signing of the reversion agreement.

c. Public support for GENSUIKYO, once a popular front for leftist political organizations, has been on the wane as attested to by the small number of people participating in its rallies. This group sponsored a total of six protest rallies during the year, and only once did it manage to assemble more than 500 participants.

Some of the
cars afire
on Highway
5, Koza



d. Early in the morning of 20 December 1970, an unprecedented anti-American riot broke out in the city of Koza (see page 13, Chapter 2, for details of this incident).

e. On 1 May 1971, the Okinawa Prefectural Council of Trade Unions (KENROKYO), an affiliate of the General Council of Trade Unions of Japan (SOHYO), sponsored the annual May Day rally at Yogi Park, Naha, with the participation of some 4,800 unionists. At the same time, other local labor unions affiliated with the Japanese Confederation of Labor (DOMEI) sponsored a separate May Day rally at Tomari Elementary School with 2,100 participants. Both rallies were followed by parades and ended without incident.

Sporadic outbreaks of violence during the FY 1971 work stoppages and rallies were primarily instigated by radical student activists who took every opportunity to voice their opposition against the U.S. military. Although no fatalities were recorded, 267 police officers sustained injuries while attempting to control the demonstrators, and 104 persons were taken into custody by the GRI police.

Police Construction and Equipment

A total of \$11,256,714 was appropriated in the GRI budget for public safety activities in FY 1971. This total was comprised of \$9,584,945 in GRI funds, \$1,250,000 in U.S. aid, and \$421,769 in Government of Japan (GOJ) funds. Over 50 percent (\$603,858) of the police budget was expended for the construction of new facilities and the purchase of equipment as follows:

A three-story, ferro-concrete police communications building was completed in Naha at a total cost of \$83,100 and equipped with a new \$66,000 automatic telephone switchboard with 400 circuits. Also completed during the year were the Toguchi and Gushikawa Police Stations at a total cost of \$81,160.

Major items of equipment purchased during this period included 14 two-way VHF radio-telephones for new vehicles, 42 motor vehicles (17

sedans for investigation purposes, six patrol cars, nine pickup trucks, one maintenance truck, four armored buses, two command cars, one water-cannon truck, and two water tankers), 1,053 pairs of protective gloves, 317 gas masks, 390 shields, three microphones, two gas dispensers, nine gas guns, and 12 transistorized megaphones.

Police Maritime Fleet

The GRI police maintains a fleet of five 30-ton patrol vessels, each equipped with two 165-horsepower engines. These vessels operate out of the ports of Tomari, Toguchi, and Yakena in Okinawa; Ishigaki in Yaeyama; and Hirara in Miyako. Two other patrol-rescue vessels complete the police maritime fleet--a 130-ton vessel based at Ishigaki Port and a new 350-ton vessel operating out of Tomari Port. The latter was purchased by the GOJ and delivered to the GRI in October 1970.

Police Training

Sixty-seven police recruits completed the requirements for graduation from the new police academy located on the outskirts of Ishikawa City. They were members of the 51st Recruit Training Class--the first class to complete their full basic training at the new academy. Other



Judo/kendo training at the new police academy in Ishikawa

programs conducted by the academy during the year included three refresher courses, and one course each in arrest techniques, criminal investigation, and judo/kendo training. A total of 191 police officers participated in these courses.

Twenty-eight other police officers received advanced training in Japan at one of the following agencies: the National Police College, Kyushu Police Academy, Osaka Metropolitan Police Department, Tokyo Metropolitan Police Department, and National Police Headquarters.

PENAL AND CORRECTIONAL INSTITUTIONS

Penal and correctional institutions are administered by the Director of the GRI Legal Affairs Department. The USCAR Public Safety Department is responsible for rendering advice and assistance in the development and execution of policies and programs designed to increase the effectiveness and efficiency of these institutions.

Prisons

The three penal institutions in the Ryukyu Islands are staffed by 315 employees, broken down as follows: Okinawa Prison, 279; Miyako Prison, 18; and Yaeyama Prison, 18. Of this total, 25 are civilian technicians and specialists assigned to Okinawa Prison.

During this reporting period, 987 new inmates were admitted and 943 prisoners were released from these penal institutions. Total inmate population fluctuated between a low of 589 and a high of 652 during the year, with the number of prisoners averaging 584 at Okinawa Prison, 17 at Miyako Prison, and 22 at Yaeyama Prison.

As of 30 June 1971, the inmate population was as follows:

	<u>Adult</u>		<u>Juvenile</u>	<u>Total</u>
	<u>Male</u>	<u>Female</u>		
TOTAL	<u>595</u>	<u>9</u>	<u>48</u>	<u>652</u>
Okinawa Prison	555	9	45	609
Miyako Prison	15	0	3	18
Yaeyama Prison	25	0	0	25

Ryukyu Reformatory

The resident population of this rehabilitation institution has shown a gradual decrease over the past 3 years. From a peak of 283 in June 1968, the number of inmates declined to 224 a year later, and to 166 in June 1970. As of 30 June 1971, there were 163 inmates, including 45 girls. Of this total, 143 juveniles (87.7 percent) were admitted to the reformatory for the first time; the remaining 20 were repeaters.



Reformatory inmates enjoy a recreational break with their instructors

Recognizing that the major contributing factor to recidivism is the lack of vocational skills, the institution has placed strong emphasis on educational and vocational training programs which would enable the inmates to take their place in society upon release. The younger inmates are required to attend regular academic classes, comparable to those of public schools. Those completing the 9th-grade level are assigned to one of the many vocational classes conducted at the reformatory, such as carpentry, auto mechanics, welding, gardening, agriculture, sewing, handicraft, and home economics. As an incentive, inmates are paid 70 cents a month while pursuing their vocational training. This is accumulated and given to them at the time of their release.

Incidents of escapes, which once plagued the institution, have now dwindled, and only four attempts, involving 14 inmates, were recorded in FY 1971. All of the escapees were returned to the institution within a short period of time.

Ryukyu Juvenile Classification Home

During this reporting period, 730 juveniles (569 boys and 161 girls) were sent to this institution for periods of 2 to 3 weeks to undergo tests and interviews by the classification specialists and Family Court investigators. This reflected a decrease of 198 from the previous fiscal year and

the second straight year that the number admitted fell below the average total of 1,000 juveniles committed each year since 1966.

During the year, 791 inmates (including those admitted in FY 1970) were processed, and disposition was made as follows: 147 were committed to the reformatory, 258 were referred to the Supervision (Probation) Office, 216 were released to the custody of their guardians, 54 were referred to the Procurator's Office for criminal court action, 15 were committed to the Boys' Training School, and 101 were dismissed with reprimands. As of 30 June 1971, there were 26 boys and five girls awaiting disposition by the Family Court, as compared with 78 boys and 14 girls a year ago.

Parole Board

The Parole Board reviewed a total of 311 parole applications during this reporting period and granted paroles to 95 prisoners and 144 reformatory inmates, disapproved paroles for 34 others, and deferred action on the remaining 38 applicants. The board also revoked the paroles of five persons for changing their domicile without clearance from their parole officers and eight adults and five juveniles for parole violations.



High Commissioner Lampert observes inmates in training at the Ryukyu Reformatory's woodwork shop

Supervision Office

The Supervision Office is staffed by 13 full-time parole officers and 193 volunteer probation officers. During the year, 453 new parolees and probationers were placed under the supervision of this office, in addition to the 1,419 already under its surveillance from previous years. Of this total, 593 completed their probationary and/or parole period, 53 had their probation or parole revoked, while five persons died during their probationary period. As of 30 June 1971, the Supervision Office had 1,221 parolees and probationers under its supervision, a decrease of 198 from a year earlier.

SAFETY

Traffic

Vehicle Registration

The number of motor vehicles in the Ryukyu Islands continued to soar, rising at a rate of 2,000 per month during FY 1971 as compared with an average monthly growth rate of 1,400 since FY 1966. Total registered motor vehicles in the Ryukyus reached 196,140 on 30 June 1971, an increase of 24,265 (14.1 percent) over the past year.

Registered Motor Vehicles

<u>Registered with the GRI</u>	<u>Total</u>
Trucks, Large	6,035
Trucks, Small	27,918
Buses	1,241
Sedan, Large	2,688
Sedan, Small	52,665
Three-Wheeled Vehicles	728
Special Purpose Vehicles	4,288
Light Motor Vehicles	28,979
Total	124,542
<u>Registered with Municipalities</u>	
Motorbikes and Scooters	37,926
Total (GRI/Municipal)	162,468
<u>Registered with U.S. Provost Marshal</u>	
U.S. Government Vehicles (estimate)	6,000
U.S. Privately Owned Vehicles	24,443
U.S. Privately Owned Scooters	3,229
Total	33,672
GRAND TOTAL	<u>196,140</u>

Traffic Accidents

With the increase in vehicular traffic, the number of accidents reported to the GRI police rose by 3 percent during the year to 13,626. (Accidents involving U.S. Forces personnel only and those occurring within the U.S. military installations are not included in this total.) The number of deaths and injuries from traffic mishaps, however, decreased by 29.9 percent and 1.9 percent, respectively, as shown below:

	<u>FY 1970</u>	<u>FY 1971</u>	<u>Change</u>	
			<u>Number</u>	<u>Percentage</u>
Vehicle Registration	171,875	196,140	+24,265	+14.1
Number of Accidents	13,234	13,626	+392	+3.0
Number of Deaths	107	75	-32	-29.9
Number of Injuries	3,060	3,001	-59	-1.9

Leading causes of accidents were speeding, inattention to road, following too closely, failure to yield right-of-way, misjudging distance, drunken driving, careless backing, and improper "U" turns.

Enforcement Activities

Traffic citations issued in FY 1971 totaled 53,642, of which 43,276 were referred to the Procurator's Office for judicial disposition. Speeding violations accounted for 38 percent of the citations. Other major infractions included driving without a license, driving under the influence of alcohol, improper turns, disregarding traffic signals and stop signs, and improper parking. A review of the citations issued by type of vehicles disclosed that 16,755 were issued to operators of sedans, 10,103 to truck drivers, 6,073 to cyclists, 5,130 to drivers of light motor vehicles, and 4,434 to taxicab operators.

The GRI police also issued 25,098 written warnings to drivers of defective vehicles, which required the driver or owner to correct the defect and report to a designated agency within a specified period of time.

Traffic Safety Programs

In addition to the annual fall and spring traffic safety campaigns, a series of safety drives were conducted throughout the year by the GRI police, in conjunction with the Federation of Okinawa Traffic Safety Associations, to develop safety consciousness among drivers and pedestrians. Beginning with a 50-day campaign to prevent accidents to school children in August and September, a 30-day campaign against drunken drivers was held in December, followed by a 90-day safe-driving contest from 1 January through 31 March, and a 30-day campaign to familiarize newly

enrolled kindergarten and elementary school children on traffic safety in April. These campaigns were carried out by teams of police, safety officers of transportation companies, and school officials through safety drills, lectures, discussion meetings, exhibits, film showings, spot announcements over the local radio and television, and the distribution of printed informational material.



Traffic safety drill for new primary school enrollees

Mercy Flights

Scores of Ryukyuan lives are saved annually through emergency medical air evacuations carried out by the U.S. Forces. During FY 1971, 89 patients were airlifted to Okinawa by military aircraft from 17 offshore and remote islands, including Minami Daito, Kita Daito, and Yonaguni Islands, through the coordinated efforts of the USCAR Public Safety Department, U.S. Air Force Air Defense Control Center at Naha Air Base, 33d Aerospace Rescue and Recovery Wing, and other military units stationed in the Ryukyu Islands.

Drownings

Fifty persons lost their lives through drowning accidents during FY 1971. Over half of these fatalities were children below the age of 13. Accidental falling into the sea, river, or pond accounted for 26 deaths; boating and fishing accidents, 10; and swimming accidents, 11. The remaining three victims were preschool-age children who drowned while playing at the beaches.

IMMIGRATION

Simplification of Travel Application Procedures

Civil Administration Ordinance No. 147, "Control of Travel by Residents of the Ryukyu Islands," dated 13 August 1955, was amended effective 30 April 1971 to simplify the application form for Japan Travel Documents. In comparison with the 13 items of information required in the old application form, the new form lists only four items; namely, full name, registered domicile, date of birth, and place of birth. Similarly, the number of items in the application form for travel to other countries was reduced from 23 to 19. One of the items eliminated from these forms was the prohibition of travel to Cuba and Communist-controlled portions of China, Korea, and Vietnam.

Documentation

Residents of the Ryukyu Islands desiring to travel to Japan or foreign countries are required to obtain a Japan Travel Document or a Certificate of Identity issued by the GRI Immigration Agency, under the authority of the High Commissioner, or equivalent travel documents issued by the Japanese Government through the Okinawa Bureau of the Okinawa-Northern Territories Agency. During this reporting period, the GRI Immigration Agency processed and issued 52,211 Japan Travel Documents and 10,370 Certificates of Identity for travel to countries other than Japan.

Entry and Exit

The GRI Immigration Agency, attached to the GRI Legal Affairs Department and under the operational control of the USCAR Public Safety Department, is responsible for the processing of all travelers entering into or departing from the Ryukyu Islands. During FY 1971, immigration officers at the seven ports of entry processed 381,561 incoming and 389,431 outgoing passengers, as well as 62,321 crewmembers of air and surface transports.

Total entries and exits rose by 16.7 percent over the previous fiscal year, with the greatest increase (23.8 percent) registered by Ryukyuan travelers who constituted approximately 45 percent of the incoming and outgoing total. A breakdown of the entries and exits by nationality is given in table 5, page 405, appendix V.

Alien Registration

Aliens whose period of stay exceeds 30 days must register and obtain a residence certificate from the GRI Immigration Agency, in accordance with Civil Administration Ordinance No. 125, "Control of Entry and Exit of Individuals Into and From the Ryukyu Islands." During FY 1971, the agency issued 14,090 residence certificates, renewed 16,804, and reissued 4,314 certificates which had been either lost, destroyed, or mutilated. In addition, 274 applications for permanent residence were processed, of which 130 were approved.

As of 30 June 1971, the number of registered aliens residing in the Ryukyu Islands totaled 30,196, an increase of 468 over the corresponding period a year ago. Japanese residents accounted for 57.7 percent of the total with 17,433; followed by Americans, 7,591; Chinese, 2,138; and Filipinos, 2,019 (see table 6, page 406, appendix V).

Reentry Permits

When an alien departs from the Ryukyu Islands, his residency status is terminated unless a reentry permit is obtained prior to departure. (Members and employees of the U.S. Forces and their dependents are not subject to this requirement.) During FY 1971, the GRI Immigration Agency issued a total of 11,561 reentry permits, 1,893 more than in the previous fiscal year.

Other Immigration Activities

Nine aliens were deported from the Ryukyu Islands during this reporting period: two Taiwanese seamen, three American seamen, one unemployed American, two Japanese students, and one unemployed Filipino.

Ryukyu Travel Unit

The Ryukyu Travel Unit (RTU), a branch office of the USCAR Public Safety Department located in the Akasaka Press Center area, Minato-ku, Tokyo, is responsible for processing all applications filed in Japan for entry into the Ryukyu Islands. The workload of this office has increased markedly in the last 5 years with applications almost doubling in number. During FY 1971, RTU received 166,165 entry applications, an increase of 23,557 applications (16.5 percent) over FY 1970. Of this total, 161,503 applications were cleared for entry and 698 were disapproved.

PART II

ECONOMIC AND FINANCIAL DEVELOPMENT

CHAPTER 6

THE ECONOMY OF THE RYUKYU ISLANDS

General

The acceleration in economic activity which began in the last fiscal year continued through FY 1971, supported mainly by the growth of private capital investments and vigorous aid-financed government expenditures. Private capital formation, construction in particular, scored phenomenal gains and stimulated production activity as a whole. In addition, government outlays for public projects and expanded expenditures for the purchase of goods and services had a priming effect on the economy, inducing a rise in personal consumption.

Although the pace of expansion was somewhat slower than in FY 1970, wage rates continued to increase rapidly, while the cost of living rose less in FY 1971 than in the previous fiscal year.

Gross National Product (GNP)

Gross national product, measured in current prices, totaled \$985.3 million in FY 1971, representing a substantial growth rate of 15.8 percent (10.4 percent in real terms) over the \$850.7 million recorded in FY 1970. As in the previous fiscal year, increased private and public capital investments and government consumption expenditures were the economic pace setters.

The major stimulant for the upswing in FY 1971 was the sharp expansion of the private fixed capital formation sector, which reached \$374.1 million. This reflected an increase of \$97.7 million (35.3 percent) over FY 1970 and accounted for 72.6 percent of the total \$134.6 million gain in the GNP in FY 1971. The boom in residential housing construction was particularly conspicuous, rising 65.3 percent to \$120.7 million, due primarily to expected rising construction costs after reversion. Business investments in new construction and expansion of existing facilities also showed an accelerated growth, expanding by 28.0 percent to \$112.9 million. In particular, heavy investments were poured into oil refineries, hotels, rental apartments, and office buildings by foreign petroleum companies and local service industries. Plant machinery and equipment outlays, while slackening in pace from the previous year, still registered a substantial increase of 21.9 percent and totaled \$140.4 million. Government expenditures for public construction projects also gathered momentum during FY 1971 and reached \$74.1 million, a significant gain of 52.8 percent over the previous year.

Another major contributor to the sustained high economic activity was the 12.8 percent rise in personal consumption expenditures, which increased from \$476.0 million to \$536.7 million. However, because of the

rise in consumer prices, the growth in this sector in real terms was 7.4 percent. In reviewing the individual components, the largest percentage increase of 19.3 was seen in the cost of light and fuel, as was the case in the previous year, due to increased ownership of electrical household appliances and automobiles; followed by housing, 15.3 percent; and clothing, 15.2 percent.

Government consumption expenditures showed a significant rise of 25.5 percent, from \$130.5 million to \$163.8 million, buoyed by substantial increases in external assistance, particularly from the Government of Japan, and higher tax revenues. Compensation of employees, which accounted for 74 percent of total government expenditures, registered a 29.9 percent gain over FY 1970.

Gross National Product at Current Prices
(In millions of dollars)

	<u>FY 1970</u> <u>1/</u>	<u>FY 1971</u>	<u>Percent Change</u>
Components of Expenditure:			
Personal Consumption Expenditures	476.0	536.7	12.8
Government Current Expenditures	130.5	163.8	25.5
Gross Domestic Fixed Capital Formation	324.9	448.2	38.0
(Private)	(276.4)	(374.1)	(35.3)
(Government)	(48.5)	(74.1)	(52.8)
Increase in Stocks (including net errors and omissions)	52.8	17.5	-
Exports of Goods and Services	399.7	441.5	10.5
(Merchandise Exports)	(106.7)	(120.7)	(13.1)
(U.S. Forces and Personnel Expenditures)	(228.2)	(239.7)	(5.0)
(Services and Remittances)	(64.8)	(81.1)	(25.2)
EQUALS: TOTAL DEMAND	<u>1,383.9</u>	<u>1,607.7</u>	<u>16.2</u>
LESS: Imports of Goods and Services	<u>533.2</u>	<u>622.4</u>	<u>16.7</u>
EQUALS: GNP	<u><u>850.7</u></u>	<u><u>985.3</u></u>	<u><u>15.8</u></u>

1/ Data revised retroactively to FY 1967. Population base is now the 1970 population census.

National Income

National income expanded by 15.9 percent to \$862.4 million in FY 1971. Per capita national income increased from \$779 to \$907, a gain of 16.4 percent over the previous fiscal year; the average annual income per worker advanced by 22.2 percent from \$1,823 to \$2,228 (ranging from \$673 for primary industries, \$2,229 for secondary industries, to \$2,914 for tertiary industries).

Although tertiary or service industries continued to set the pace for the growth of national income with an expansion rate of 17.5 percent,

secondary industries also recorded a comparable growth, while primary industries suffered a slight decline. A breakdown of national income by industrial origin follows:

National Income by Industrial Origin 1/
(In millions of dollars)

	<u>Value</u>		<u>% Composition</u>		<u>%</u>
	<u>FY 70</u>	<u>2/ FY 71</u>	<u>FY 70</u>	<u>FY 71</u>	<u>Change</u>
National Income (Net National Product at Factor Cost)	743.9	862.4	100.0	100.0	15.9
Primary Industries	65.5	65.3	8.8	7.6	- 0.3
Agriculture and Forestry	56.3	55.0	7.6	6.4	- 2.3
Fisheries	9.1	10.4	1.2	1.2	14.3
Secondary Industries	132.8	156.0	17.9	18.1	17.5
Manufacturing, Mining	73.1	80.3	9.8	9.3	9.8
Construction	59.7	75.7	8.0	8.8	26.8
Tertiary Industries	545.7	641.1	73.4	74.3	17.5
Wholesale, Retail Trade	161.6	182.3	21.7	21.1	12.8
Finance, Insurance, Real Estate	93.3	108.1	12.5	12.5	15.9
Electricity, Gas, Water Supply, Transportation, Communications	53.6	65.1	7.2	7.5	21.5
Services	71.0	84.0	9.5	9.7	18.3
U.S. Forces	73.1	80.8	9.8	9.4	10.5
Government	93.1	120.9	12.5	14.0	29.9

1/ Details may not add to totals owing to rounding.

2/ Data based on population have been revised retroactively to FY 1967. Population base is now the 1970 population census.

Primary Industries

Income from primary industries showed a .3 percent drop from the preceding year and amounted to \$65.5 million as compared with \$65.3 million in FY 1970. Despite the record production of sugarcane, the overall agricultural output was adversely affected by the sharp decline in pineapple harvest (the second major cash crop in the Ryukyu Islands) due to inclement weather and disease and to the general deceleration of farming activities as a whole. Major contributing factors to this agricultural lag were the shortage of agricultural labor, which decreased by 17,000 persons in FY 1971, and the conversion of farmland to home sites or other more profitable industrial and commercial uses.

In the fisheries area, an overall expansion was seen in coastal and deep-sea fishing activities.

Secondary Industries

Heavy investments in plant facilities and equipment, which commenced during the previous fiscal year, enabled the manufacturing and construction industries to contribute \$156 million to the national income in FY 1971, compared with \$132.8 million in FY 1970. This represented a healthy growth of 17.5 percent, although somewhat lower than the expansion rate of 19.0 percent in FY 1970.

Industries engaged in the manufacture of construction materials (such as ready-mixed concrete, structural steel, plywood, and cement) increased their production to meet the rising demands of the construction industry. These industries accounted for \$80.3 million of the total national income during FY 1971 as contrasted to \$73.1 million in FY 1970, representing a growth rate of 9.8 percent.

The most significant growth rate in this sector was seen in the construction industry, which increased by 26.8 percent, from \$59.7 million in FY 1970 to \$75.7 million in FY 1971. This growth was due to increased public facility construction by the government, brisk capital investments in plant construction and equipment by petroleum companies, and the acceleration in residential housing construction.

Tertiary Industries

Tertiary industries (wholesale and retail trade, finance, insurance, real estate, public utilities, transportation and communications, services, government and U.S. Forces employment), the largest contributor to national income in FY 1971, registered a 17.5 percent increase to \$641.1 million. This sector accounted for 74.3 percent of the total national income, while primary industries contributed 7.6 percent, and secondary industries, 18.1 percent.

By distributive shares, the largest portion of the national income was comprised of employees' compensation, \$511.1 million (59.3 percent); followed by proprietors' earnings, \$201.8 million (23.4 percent); and income from property (rent, interest, and dividends), \$109.4 million (12.7 percent).

Local Expenditures by U.S. Forces

The growth of the Ryukyuan economy has been sustained to a great extent by the expenditures of military installations and personnel in the Ryukyu Islands. These expenditures, consisting of wages and salaries, contractual arrangements, land rentals, and local purchases, amounted to \$239.7 million in FY 1971, an increase of 5.0 percent over the previous fiscal year. Major outlays in FY 1971 were as follows:

In FY 1968-69, local expenditures of military units exceeded those of individuals. However, in FY 1970-71, this trend was reversed due to a

sharp rise in local purchases by U.S. military and civilian personnel as well as the slowdown in military construction activities. Estimated expenditures in FY 1971 by U.S. military and civilian personnel for purchases on the local economy, payment of rentals for off-base housing, wages of domestic servants, and entertainment rose by 16.4 percent and totaled \$98.8 million, the largest single item of U.S. Forces expenditures.

Local payrolls increased 11 percent and totaled \$69.6 million, of which \$51.3 million was paid by military installations from U.S. appropriated funds and \$18.3 million was disbursed by U.S. nonappropriated fund activities.

Local procurement of goods and services by both appropriated and non-appropriated fund activities remained almost at the same level as in the previous year, with purchases amounting to \$34.8 million and \$8.8 million from appropriated and nonappropriated funds, respectively.

Outlays for military construction continued to decrease, dropping to \$3.5 million or to about one-fourth of the previous year's total of \$15.2 million.

Military Expenditures 1/
(In millions of dollars)

	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
Expenditures by U.S. Government and Personnel (Local Base Expenditures)	<u>197.8</u>	<u>209.2</u>	<u>228.2</u>	<u>239.7</u>
By Military Units with Appropriated Funds	<u>101.6</u>	<u>108.5</u>	<u>111.6</u>	<u>108.9</u>
Base Construction	28.6	22.3	15.2	3.5
Other Procurement	26.7	32.3	32.0	34.8
Ryukyuan Personnel Pay	33.5	40.4	45.9	51.3
Utilities	8.2	6.5	7.4	8.3
Land Rental Payments	4.6	7.0	11.0	10.9
By Military and Related Personnel Indirectly, via Local Expenditures of Clubs and Post Exchanges (Nonappropriated Funds)	<u>96.3</u>	<u>100.7</u>	<u>116.7</u>	<u>130.8</u>
(Local National Pay)	(14.4)	(15.5)	(16.7)	(18.3)
(Local Procurement)	(11.2)	(11.6)	(10.3)	(8.8)
(Other Services)	(6.4)	(4.3)	(4.8)	(4.9)
Direct Purchases on Economy (Estimated) <u>2/</u>	64.3	69.3	84.9	98.8

1/ Details may not add to totals owing to rounding.

2/ Includes wages for domestic servants and rental payments.

Balance of Payments

A continued widening of the trade deficit was again evident in FY 1971. Imports, stimulated by brisk demands of the private investment sector, rose more rapidly than earnings from merchandise exports, U.S. Forces local expenditures, and tourism. In FY 1971, imports advanced by 16.0 percent; exports expanded at a comparatively slower rate (13.1 percent); while the growth rate in earnings from the U.S. Forces and other service receipts, such as general remittances and tourist spendings, lagged behind that of the previous fiscal year. Consequently, the overall goods and services deficit increased by 35.5 percent to \$180.9 million. However, this unfavorable balance was offset by a 38 percent increase in transfer payments from abroad, largely U.S. and Japanese Government aid, and an unidentified net inflow of funds of \$111.5 million. As a result, the Ryukyu Islands enjoyed an overall balance of payments surplus of \$37.8 million in FY 1971.

Balance of Payments of the Ryukyu Islands (In millions of dollars)

	<u>FY 1969</u> <u>1/</u>	<u>FY 1970</u> <u>1/</u>	<u>FY 1971</u>
A. <u>Goods and Services</u>	- 69.2	-133.5	-180.9
Trade Balance	-292.2	-380.7	-444.7
Exports <u>2/</u>	(89.8)	(106.7)	(120.7)
Imports <u>3/</u>	(-382.0)	(-487.4)	(-565.4)
U.S. Forces Receipts	209.2	228.2	239.7
Other Service Receipts	50.1	64.8	81.1
Other Service Payments	- 36.3	- 45.8	- 57.0
B. <u>Unilateral Transfers</u>	62.6	77.6	107.2
Private	17.1	19.8	21.9
Official (Aid)	45.5	57.8	85.3
C. <u>Unrecorded Transactions</u> <u>4/</u>	30.4	63.9	111.5
D. <u>Surplus or Deficit (A thru C)</u>	23.8	8.0	37.8
E. <u>Financing</u>	- 23.8	- 8.0	- 37.8

1/ Figures for FY 1969-70 revised from previous report.

2/ Includes sales from the Free Trade Zone.

3/ Includes aid-in-kind and Free Trade Zone imports.

4/ A residual item. It includes private nonbank capital transactions plus changes in U.S. currency in circulation which should be included in part E. Available estimates are not sufficiently reliable for inclusion in this table.

Economic Welfare

A review of selected indicators reveals that the economic well-being of the Ryukyuan people made substantial gains during FY 1971. Per capita

national income increased to \$907, a rise of 16.4 percent over FY 1970, while per capita personal consumption measured in real terms (i.e., adjusted for the increase in the cost of living) rose by 7.9 percent.

	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
Per Capita National Income	\$659	\$779	\$907
Per Capita Personal Consumption			
At Current Prices	434	498	564
Index at Constant Prices			
(FY 1969 = 100)	100	107.7	116.3

Another indication of economic improvement is the decline of the Engel's coefficient (the proportion comprised by food in total consumption expenditures) in recent years. Outlays for food, which constituted about half of the household budget in the early 1960's, dropped to 42.2 percent in FY 1970 and still further to 41.6 percent in FY 1971. In comparison with the previous fiscal year, the proportions expended for clothing, light and fuel showed slight gains, while housing and miscellaneous expenses remained relatively stable and unchanged.

Percent Composition of Household Expenditures

	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
Total Expenditures	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Food	42.9	43.4	42.2	41.6
Housing	12.1	12.3	12.6	12.6
Light and Fuel	4.1	4.3	4.6	4.9
Clothing	8.2	7.8	7.8	8.0
Miscellaneous	32.8	32.2	32.8	32.8

Ownership of consumer durables has risen markedly in recent years. Private passenger cars increased by 19.0 percent over the previous year and totaled 49,855 as of June 1971, or one car for every 4.6 families in the Ryukyus. Moreover, according to a biennial survey conducted by the GRI in January 1970, 87 percent of the total households owned a television set, 92 percent had radios, 60 percent possessed refrigerators, and 54 percent owned washing machines.

Consumer Prices

In parallel with the island's rapid economic expansion, consumer prices have risen steadily in the last 5 years, gaining an average of 5.5 percent annually during FY 1967-71 as compared with 2.5 percent in the preceding 5-year period.

Although this upward trend persisted throughout FY 1971, the rate of increase slowed down from the 6.5 percent gain in FY 1970 to 4.9 percent in FY 1971. This was primarily attributable to the slackening of the price growth for such food items as milk and eggs, vegetables, and meat.

By major categories of expenditure, miscellaneous expenses increased 10.1 percent; housing, 6.3 percent; clothing, 4.3 percent; nonstaples, 3.4 percent; and light and fuel, 1.5 percent. When these percent increases are translated into contribution ratios in the light of the relative weight of each item in the overall index, the higher costs of the following items were primarily responsible for the 4.9 percent rise in the consumer prices in FY 1971: miscellaneous goods and services rose by 44.3 percent over the preceding year (mainly taxi fares, 21.2 percent; and health and sanitation expenses, 7.5 percent); food items, 29 percent (fish and shellfish, 27.6 percent; dried food items, 4.6 percent); housing and land rentals, 17.4 percent; and clothing, 7.4 percent. On the other hand, price declines were seen in milk and eggs, 7.3 percent; vegetables, 5.8 percent; and meat, 3.8 percent.

Consumer Price Index
Naha City
(CY 1965 = 100.0)

<u>Fiscal Year</u>	<u>General</u>	<u>Staple Food</u>	<u>Non-Staples</u>	<u>Clothing</u>	<u>Fuel, Light</u>	<u>Housing</u>	<u>Miscellaneous</u>
1967	109.3	110.5	108.8	103.0	101.3	110.0	113.9
1968	114.1	115.3	111.5	106.4	101.7	119.7	121.0
1969	119.7	127.1	119.7	107.4	99.6	125.6	122.2
1970	127.5	127.2	131.2	109.9	100.0	139.7	126.2
1971	133.8	127.7	135.6	114.6	101.5	148.5	139.0

(Percent change over previous year)

1967	6.9	5.0	6.6	2.9	0.4	6.3	12.1
1968	4.4	4.3	2.5	3.3	0.4	8.8	6.2
1969	4.9	10.2	7.4	0.9	-2.1	4.9	1.0
1970	6.5	0.1	9.6	2.3	0.4	11.2	3.3
1971	4.9	0.4	3.4	4.3	1.5	6.3	10.1

Economic Indicators

Selected economic indicators on national income and expenditures, foreign receipts and payments, population and labor force, and financial data are given in table 7, page 407, appendix V.

CHAPTER 7

EXTERNAL FINANCIAL ASSISTANCE AND GOVERNMENT FINANCE

UNITED STATES GOVERNMENT ASSISTANCE TO THE RYUKYUS

U.S. financial assistance to the Ryukyu Islands in FY 1971 amounted to \$19,048,000. This consisted of \$3,362,000 from the Administration Ryukyu Islands, Army (ARIA) appropriation and \$15,686,000 from the United States Civil Administration of the Ryukyu Islands (USCAR) General Fund (see table 8, page 409, appendix V). Additionally, surplus food donations valued at \$898,000 were provided to the Ryukyuan people by the U.S. Government under Public Law (PL) 480, Title II.

ARIA Appropriated Aid

Public Law 86-629, as amended, authorizes up to \$17,500,000 annually for economic aid to the Ryukyus under the ARIA appropriation. The FY 1971 appropriation for the Ryukyu Islands was substantially below the authorized ceiling; however, this reduction was offset by increased aid from the USCAR General Fund and the Government of Japan (GOJ).

A breakdown of actual obligations for FY 1971 and programmed amounts for FY 1972 by major categories is shown below:

<u>Project or Activity</u>	<u>FY 1971 Actual</u>	<u>FY 1972 Programmed</u>
TOTAL	<u>\$3,361,982</u>	<u>\$1,075,000</u>
Public Safety Services	1,250,000	1,075,000
Public Health and Sanitation Services	400,000	0
Public Health and Medical Facilities	619,669	0
Technical Education and Training	577,096	0
Technical Cooperation	515,217	0

A recapitulation of appropriated funds obligated annually from FY 1947 through FY 1971 is shown in table 9, pages 410 and 411, appendix V.

Administrative Activities

Administrative expenses of the U.S. Civil Administration are funded out of the ARIA appropriation. These include civilian and military staff pay, travel of civilians, operation of a public affairs program, and miscellaneous operational and maintenance expenses. The following table shows actual obligations for FY 1971 and programmed amounts for FY 1972:

<u>Project or Activity</u>	<u>FY 1971 Actual</u>	<u>FY 1972 Programmed</u>
TOTAL	<u>\$3,360,730</u>	<u>\$3,075,000</u>
Pay of Personnel	3,027,793	2,659,000
Travel of Civilians	120,701	244,000
Information Materials and Services	50,228	15,000
Operating Expenses	162,008	157,000

USCAR staff personnel as of 30 June 1971 totaled 253, broken down as follows: 98 U.S. civilians, 135 Ryukyuans, 12 military officers, and eight enlisted men.

USCAR General Fund

Financial aid for the economic and social development of the Ryukyu Islands is also provided from the USCAR General Fund. This fund derives its income from petroleum sales; operation of three USCAR corporations (Ryukyu Development Loan Corporation, Ryukyu Electric Power Corporation, and Ryukyu Domestic Water Corporation); dividends from the Bank of the Ryukyus; sale of fixed assets; and fines, fees, and forfeitures levied by the USCAR courts. (See table 10, page 412, appendix V, for USCAR General Fund financial statement.)



Villagers of Ohara-ku, Kumejima, celebrate the dedication of a new community hall built with financial assistance from the High Commissioner's Fund

The FY 1971 General Fund program amounted to \$15,686,000. As in the previous fiscal year, the major portion of the FY 1971 program was directed to the expansion and improvement of the electric power, water, sewer, and road systems, and to the augmentation of development loan funds. A total of \$26,449,000 is programmed for FY 1972, of which approximately 50 percent will be for water systems and the purchase of Army-owned water facilities.

Actual obligations for FY 1971 and programmed amounts for FY 1972 are shown below:

USCAR General Fund Program
(In thousands of dollars)

	<u>FY 1971</u> <u>Actual</u>	<u>FY 1972</u> <u>Programmed</u>
TOTAL	<u>\$15,686</u>	<u>\$26,449</u>
Fixed Assets: POL Facilities	78	12
Capital, Ryukyu Development Loan Corporation	2,367	2,449
Capital, Ryukyu Electric Power Corporation	4,245	4,321
Capital, Ryukyu Domestic Water Corporation	463	(223)
Contribution to Water Systems	2,091	6,590
Purchase of Military-Owned Water Assets	0	6,823
Special Assistance to Municipalities	509	391
Disaster Relief	39	161
Contribution to Island Sewer System	1,938	1,362
Ryukyuan Scholarship	272	1,000
English Language Center	155	0
RPC Civic Action Projects	24	40
Preplanning and Other Activities	71	160
Other Economic Development and Public Works	3,434	3,363

Public Law 480, Title II Program

The United States furnishes additional aid in the form of free distribution of U.S. food commodities under PL 480, Title II (Food for Peace Program). In FY 1971, commodities valued at \$898,000 were made available to the Government of the Ryukyu Islands (GRI) for school lunches and other feeding programs. Present plans call for the distribution of \$1,369,000 worth of commodities in FY 1972. (Details of this program are given in Chapter 17.)

GOVERNMENT OF JAPAN AID PROGRAM

Economic assistance by the Government of Japan consists of grants, loans, and technical aid. In addition, the GOJ provides pensions, annuities, and other payments to certain Ryukyuan individuals and families.

GOVERNMENT OF JAPAN AID TO THE RYUKYUS

<u>GENERAL AID PROGRAM</u>	<u>JFY 1970-71</u>	<u>JFY 1971-72</u>
<u>Administered by GRI:</u>	<u>\$ 71,044,306</u>	<u>\$117,265,917</u>
Government Operation Expense	5,786,110	15,288,888
Industrial Promotion/Land Development		
Agriculture and Forestry Facilities	1,281,837	1,785,653
Promotion of Sugar Industry	1,250,000	1,494,889
Roads and Bridges	518,792	483,933
Piers, Harbors, and Fishing Ports	3,821,756	3,620,439
Urban Development	796,525	474,292
Industrial Development Fund	1,111,111	1,342,428
Airfield Improvement	-	2,194,444
Pilot Training Center	2,222,222	-
Other	921,043	1,235,255
Social Welfare and Medical		
Mental Hygiene	1,210,433	1,473,514
Tuberculosis Countermeasures	1,384,741*	1,536,625
New Naha Hospital	3,027,189	1,340,125
Child Welfare	1,425,510	1,809,658
Daily Livelihood Assistance	3,522,878	5,333,247
Relief for Ex-U.S. Forces Employees	965,331*	1,596,619
National Pension	3,325,919	3,830,142
Municipal Housing	610,369	962,889
Other	2,006,712*	6,753,459
Education		
Teachers' Salary	12,637,747	16,737,666
School Facility	4,271,780	6,615,356
School Equipment	514,094	1,203,564
Free Textbooks	542,936	725,244
Other	1,153,816	1,766,239
Assistance to Municipalities	7,777,778	11,111,111
Reversion Commemoration Projects	3,050,375	18,892,917
Disaster Rehabilitation	659,494*	-
Other	2,470,028*	4,879,543
Reserve	2,777,778	2,777,778
<u>Administered by GOJ:</u>	<u>1,089,325</u>	<u>1,211,221</u>
Social Welfare and Medical	210,780	213,939
Education	417,014	533,017
Other	461,531	464,265
<u>Administered by Nampo Doho Engo Kai:</u>	<u>135,494</u>	<u>189,989</u>
TOTAL GENERAL AID PROGRAM	<u>72,269,125</u>	<u>118,667,127</u>
 <u>LOAN PROGRAM</u>	 <u>25,000,000</u>	 <u>48,055,555</u>
<u>Administered by GRI:</u>		
Financial Investment Loan Fund	19,444,444	38,888,888
Proceeds from Sale of Japanese Rice	5,555,556	9,166,667
 GRAND TOTAL	 <u>\$ 97,269,125</u>	 <u>\$166,722,682</u>

*Amended March 1971.

Economic and Technical Assistance

The GOJ aid program for Japan Fiscal Year (JFY) 1970-71 (corresponding to GRI Fiscal Year 1971) totaled \$97,269,125, including \$72,269,125 in grants and \$25,000,000 in long-term loans. The latter consisted of \$19,444,444 in financial investment loan funds and \$5,555,556 in loan funds generated through the sale of Japanese rice in the Ryukyus. The bulk of these funds was administered by the GRI, with minor amounts administered by the GOJ and the Nampo Doho Engo Kai (Southern Area Brotherhood Relief Association).

A total of \$166,722,682 (\$118,667,127 in grants and \$48,055,555 in long-term loans) was approved by the GOJ for the Ryukyu Islands for JFY 1971-72 (corresponding to GRI Fiscal Year 1972). Significant new items in the JFY 1971-72 program included: training in clinical studies (post-graduate medical education program), unemployment relief measures, water supply systems for rural areas, tick extermination, promotion funds for small and medium industries, a secondary sewage disposal facility, and a hovercraft. (Details of the GOJ JFY 1971-72 aid program are given in pages 280 through 323, appendix II.)

Pensions, Annuities, and Other Payments

The Government of Japan disbursed a total of \$20,694,700 for pensions, annuities, and other payments to beneficiaries in the Ryukyus during the period 1 April 1970 through 31 March 1971. A breakdown of these payments follows:

	<u>Amount Disbursed JFY 1970</u>
TOTAL	<u>\$20,694,700</u>
Civil Service and Military Pensions	14,318,500
Annuities for War-Bereaved Families	5,422,000
Other Payments	954,200

GENERAL ACCOUNT BUDGET OF THE GOVERNMENT OF THE RYUKYU ISLANDS

The FY 1971 GRI General Account Budget continued to show a significant rise. The original budget passed by the legislature totaled \$200.8 million. This was later revised upward to \$209.8 million. Of this total, actual expenditures during the year totaled \$193.5 million, financed through \$99.9 million in local revenues, \$11.2 million in U.S. assistance, \$68.9 million in GOJ assistance, and \$13.5 million in loans. Total obligations amounted to \$208.0 million, an increase of \$44.5 million (27.2 percent) over the previous fiscal year.

FY 1971 Obligations
(In thousands of dollars)

TOTAL	<u>\$208,000</u>
Education	62,800
Public Health and Welfare	35,600
Economic Development	14,400
Public Works and Services	33,500
Public Safety	11,000
General Government	50,700

The FY 1972 budget totals \$263.6 million, an expansion of 25.6 percent over the current year.

CHAPTER 8

AGRICULTURE, LIVESTOCK, FORESTRY, AND FISHERY

AGRICULTURE

Sugarcane

Reversing the downward trend of the past 2 years, sugarcane production in the 1970-71 season rose to 1,982,189 metric tons, an increase of 144,348 metric tons (7.9 percent) over the previous season. This represented the second highest production since the 1964-65 alltime high of 2,435,218 metric tons. Harvested acreage totaled 27,758 hectares, 1,000 hectares less than in the previous year; however, yield per hectare increased from 63.91 metric tons to 71.41 metric tons.

Sugarcane Production

	<u>Unit</u>	<u>1969-70</u>	<u>1970-71</u>
<u>Ryukyu Islands</u>			
Production	Metric Ton	1,837,841	1,982,189
Area Harvested	Hectare	28,758	27,758
Yield/Hectare	Metric Ton	63.91	71.41
<u>Okinawa Gunto</u>			
Production	Metric Ton	1,257,072	1,348,078
Area Harvested	Hectare	17,838	17,200
Yield/Hectare	Metric Ton	70.47	78.38
<u>Miyako Gunto</u>			
Production	Metric Ton	420,145	452,928
Area Harvested	Hectare	7,537	7,663
Yield/Hectare	Metric Ton	55.74	59.11
<u>Yaeyama Gunto</u>			
Production	Metric Ton	160,624	181,183
Area Harvested	Hectare	3,383	2,895
Yield/Hectare	Metric Ton	47.48	62.58

Sugar Production

Total sugar produced by the 16 centrifugal sugar mills and 17 black sugar mills in operation during the 1970-71 season amounted to 229,309 metric tons (216,173 metric tons of centrifugal sugar and 13,136 tons of black sugar). Overall production was 4.6 percent higher than in the 1969-70 season.

Sugar Production
(metric ton)

	<u>1969-70</u>	<u>1970-71</u>
<u>Ryukyu Islands</u>	<u>219,234</u> 1/	<u>229,309</u>
Centrifugal	208,748	216,173
Black	10,486 1/	13,136
<u>Okinawa Gunto</u>	<u>153,978</u>	<u>158,404</u>
Centrifugal	149,993	154,362
Black	3,985	4,042
<u>Miyako Gunto</u>	<u>47,759</u>	<u>49,849</u>
Centrifugal	46,118	47,113
Black	1,641	2,736
<u>Yaeyama Gunto</u>	<u>17,497</u>	<u>21,056</u>
Centrifugal	12,637	14,698
Black	4,860	6,358

1/ Revised from previous report.

Average price paid for sugarcane in the 1970-71 season was \$18.21 per metric ton by the centrifugal sugar mills and \$17.83 by the black sugar mills, representing increases of \$0.68 and \$0.56, respectively, over the 1969-70 prices.

Sugar Exports

Ryukyuan sugar exported to Japan is protected by the Government of Japan (GOJ) through exemptions from import duties and a subsidy-purchase system. The GOJ, through its Sugar Price Stabilization Agency, buys Ryukyuan sugar at a price fixed by the Minister of Agriculture. The purchase price for the 1970-71 season was ¥86,400 (\$240) per metric ton delivered into warehouses in Japan, which represented an increase of approximately \$8.30 per ton over the previous year. Exports of sugar products during FY 1971 were valued at \$50.9 million, a rise of 10.3 percent over FY 1970.

Sugar Exports
(Unit: metric ton and \$1,000)

	<u>FY 1970</u>	<u>FY 1971</u>
<u>Total Quantity</u>	<u>263,581</u>	<u>270,125</u>
<u>Total Value</u>	<u>\$46,149</u>	<u>\$50,896</u>
Centrifugal Sugar		
Quantity	206,710	216,144
Value	\$43,522	\$47,623
Black Sugar		
Quantity	9,830	12,265
Value	\$ 2,097	\$ 2,681
Molasses		
Quantity	47,041	41,716
Value	\$ 530	\$ 592

Proposed Ryukyuan-Indonesian Sugar Company

At the invitation of the Government of Indonesia, a seven-member Ryukyuan sugar team, comprised of representatives of sugar companies and officials of the Government of the Ryukyu Islands (GRI) and the U.S. Civil Administration of the Ryukyu Islands (USCAR), departed for Djakarta, Indonesia, on 5 July 1970 for the purpose of selecting possible sites for the establishment of one or more centrifugal sugar mills on the island of Java. In late February 1971, the Indonesian Government approved the establishment of a joint Ryukyuan-Indonesian company for the production of sugarcane and the processing of sugar for the Indonesian market. Although two sites have been tentatively selected, negotiations among the parties concerned have been progressing slowly. The Indonesian firm of P.T. Inremco has no capital to invest but desires to offer land as part of its capital participation. Furthermore, the local sugar industry is currently in the midst of a rationalization program, and representatives have been unable to agree on capital formation and other financial details. Finalization of plans for the foreign investment venture in Indonesia is expected to be postponed until mergers of existing companies are completed.

Merger of Sugar Companies

Plans are now being actively pushed by the GRI to consolidate the 13 centrifugal sugar-manufacturing companies (operating 16 mills) into four companies. In order to attain this consolidation, the GOJ and the GRI have allocated approximately \$6 million from the Japanese Rice Fund Special Account to underwrite this project.

A preliminary agreement for a merger was reached by the executives of the four private sugar-manufacturing companies on Okinawa Island--Daiichi Seito (sugar-manufacturing) Company, Ryukyu Seito, Chubu Seito, and Hokubu Seito. When the merger is officially finalized, long-term (15 years) low-interest loans (4 percent per annum) will be made to the sugar companies by the GRI for the refinancing of existing high-interest loans from commercial banks, reimbursement of capital investments, and payment of separation allowances for those employees losing their jobs as a result of the merger. After the merger, there will be two sugar companies on the island of Okinawa; one will operate five sugar mills and the other, the Ryukyu Federation of Agricultural Cooperatives (NOREN), will operate one mill. One of the existing sugar mills (Hokubu Seito's Nakijin mill) is currently being converted into a sugar refinery for the production of some 36,000 metric tons of refined sugar annually for domestic consumption. Raw sugar will be imported from Taiwan and other low-cost producing areas. The mill's rollers and other large equipment not required for sugar-refining operations have been transported to Miyako Island to replace Okinawa Seito's outdated equipment and machinery.

Pineapple

Pineapple production, which had enjoyed a dynamic growth in the last 6 years, dropped sharply to 66,852 metric tons in the 1970-71 season,

the lowest output since the 1964-65 season and 33.8 percent below the previous year's record production of 101,059* metric tons. This drastic decline was due to the crop damage sustained from Typhoon Elsie in September 1969 and the subsequent unusually cool and rainy weather in late fall and early winter which was conducive to the outbreak of "Heart Rot," a fungus disease most prevalent during wet seasons. A severe curtailment of pineapple production is also forecast for the next season because of the prolonged drought since February 1971, especially in Yaeyama Gunto.

Pineapple Production

	<u>Unit</u>	<u>1969-70*</u>	<u>1970-71</u>
Production	Metric Ton	101,059	66,852
Area Harvested	Hectare	3,668	3,270
Yield/Hectare	Metric Ton	27.55	20.44

Canned pineapple production declined 51.7 percent, from 2,162,858* cases in the previous season to 1,458,581 cases. Nineteen canneries were in operation during the season, two less than in the previous year: nine in Okinawa, one in Kumejima, and nine in Yaeyama Gunto.

Farm income from the sale of fresh pineapple in FY 1971 was estimated at \$3.8 million, a drop of 29.3 percent from the \$5.3 million in FY 1970, while exports of pineapple and processed pineapple products showed a corresponding slump from \$17.9 million to \$12.5 million in FY 1971.

The Ryukyu Canned Pineapple Exporters Association and the GRI Agriculture and Forestry Department concluded an agreement in December 1969 to rationalize the pineapple industry through the reorganization and consolidation of 16 existing pineapple companies into six units to reduce production costs and to improve the competitive position of Ryukyuan pineapple on the world market. The GRI allocated \$2.5 million from the Japanese Rice Fund Special Account to provide long-term, low-interest loans to the pineapple processors; however, progress has been slow because of the apathy of the private management sector.

Rice

Rice production declined for the second successive year, from 11,118* metric tons in CY 1969 to 10,941 metric tons in CY 1970. This decreased yield was primarily due to reduced acreage.

Rice Imports

A "Memorandum Concerning the Sale of Rice by the Government of Japan to the Government of the Ryukyu Islands for CY 1971" was concluded between the two Governments and approved by USCAR on 1 May 1971. (See page 324,

*Revised from previous report.

appendix II, for details of this memorandum.) Under this agreement, the GOJ will provide 50,000 metric tons of Japanese rice (milled), valued at approximately \$9.1 million, to the GRI in CY 1971, with the sales proceeds to be retained in the Ryukyus for a 20-year period to provide a source of funds for economic development and improvement of primary industries.

Additionally, 16,000 metric tons (milled) of California rice were contracted for import under regular commercial basis during CY 1971, with delivery dates of February and August 1971.

Other Crops

Production of sweet potatoes, tea, and tobacco in CY 1970 increased both in yield and in acreage. Sweet potato production has varied in the past 5 years, ranging from a high of 135,000 tons to a low of 101,000 tons. Tea production has shown a consistent increase, while tobacco yield has fluctuated between 500 and 1,000 tons.

	<u>Unit</u>	<u>CY 1969</u>	<u>CY 1970</u>
<u>Sweet Potato</u>			
Production	Metric Ton	112,886	114,338
Area Planted	Hectare	4,353	4,437
Yield/Hectare	Metric Ton	25.90	25.77
<u>Tea</u>			
Production	Metric Ton	177	194
Area Planted	Hectare	69	82
Yield/Hectare	Metric Ton	2.56	2.37
<u>Tobacco</u>			
Production	Metric Ton	499	524
Area Harvested	Hectare	341	348
Yield/Hectare	Metric Ton	1.46	1.51

Agricultural Research and Extension

At the request of the Japanese Government, representatives of the GRI Agriculture and Forestry Department and the Ryukyus sugar industry completed a lengthy preliminary survey to select sites for a proposed sugar-cane-breeding station and seed farm on Okinawa Island. Two sites of 70 hectares each were tentatively selected. Upon designation of a suitable site by the GRI, the GOJ will provide the necessary funds for the construction of facilities, equipment, and staffing of personnel.

Plant Introduction

During this reporting period, the following fruit, vegetable, and range grass varieties were received from the Hawaii Agricultural Experiment

Station, University of Hawaii, and forwarded to the Ryukyu Agricultural Experiment Station at Shuri for field trials:

- a. Solo Papayas: Sunrise, Waimanalo (X-77), and Kapoho.
- b. Bulb Onion: Awahia.
- c. Green Mustard Cabbage: Kai Choy, Waianae Strain.
- d. Soybeans, vegetable type: Mokapu, Kaikoo, Kahala, and Kailua.
- e. Guinea Grass (*Panicum maximum*): Hawaii Agricultural Experiment Station Strain Numbers 5373, 5374, 5375, and 5378.
- f. Tomatoes: Hawaiian Hybrid N-52T and N-69.

Merger of Horticultural and Agricultural Federations

The Okinawa Federation of Horticultural and Agricultural Cooperatives (ENREN), which was established in 1949 for the primary purpose of promoting production and sale of fresh produce to the U.S. Forces as well as to Japanese markets, merged with NOREN on 1 August 1970. This merger was actively pushed by the GRI and agricultural leaders in order to strengthen management as well as production and marketing efficiency.

Visits and Visitors

Two Okinawa 4-H Club members, Kenzo Toyoshima from Miyako Island and Miss Yoko Unten from Tomigusuku-son, Okinawa Island, attended the Hawaii State 4-H Club Conference held in Honolulu on 17-21 August 1970 at the invitation of James Y. Shigeta, 4-H Club leader, Hawaii Agricultural Extension Service, University of Hawaii. Funding support was provided by the U.S. Army, Pacific.

Three GRI agricultural officials, including two plant quarantine inspectors, visited the Philippine Islands from 24 February through 3 March 1971 at the invitation of the Government of the Philippines to study plant quarantine problems, particularly with reference to the "Panama Wilt" disease affecting bananas. This disease is unknown in the Ryukyus, but is prevalent in the Philippines. Philippine bananas for export purposes are presently grown in Davao, Mindanao Island, which is considered a disease-free area. Although the principal banana market is Japan, exporters have expressed their interest in expanding their sales to the Ryukyu Islands.

A seven-member legislative team from the Mariana Islands, headed by Juan Cabrera, arrived on 10 November 1970 for a 5-day visit to survey economic conditions in the Ryukyu Islands. Meetings were held with representatives of the GRI, and observation trips were made to the Model Farm, agricultural and livestock research stations, livestock and vegetable farms, and local industrial and tourist promotion facilities.

Manuel A. Tenorio, livestock production specialist, and Major Raymond Sullivan, staff veterinary officer, from the Trust Territory of the Pacific Islands, visited the Ryukyus for approximately 7 days in March 1971 to observe livestock and agricultural production methods. Visits were made to the Model Farm, slaughterhouses, poultry and hog farms, cattle feedlots, and meat-processing plants.

Dr. Henry Y. Nakasone, horticulturist, and Edward Fukunaga, director of the Kona District Branch Station, Hawaii Agricultural Experiment Station, University of Hawaii, stopped over on 7 April 1971 for a 5-day unofficial visit after completing a 30-day survey in Vietnam on tropical fruit crop research and production under the sponsorship of the U.S. Agency for International Development. During their stay, several meetings were held with the GRI and University of the Ryukyus officials on Ryukyuan agriculture and agricultural economy.

LIVESTOCK AND POULTRY

Livestock and Poultry Population

The annual increase in the cattle and hog population over the past several years was again evident in this reporting period. The number of beef cattle as of 1 January 1971 stood at 27,572, or 1,142 head more than in the previous corresponding period; dairy cattle increased by 172 head to 2,678. Hogs continued to increase in number, rising from 227,964 to 249,811. The serious marketing problems created by the over-supply of pork in the past 2 years have been alleviated in recent months with the effective implementation of the "Hog Price Stabilization Law," which provided subsidies and other assistance to farmers, livestock raisers, and exporters in marketing carcass pork to Japan.

Poultry numbers increased over 50 percent in the past year, resulting in an overproduction of eggs. Assistance of the GRI was requested in stabilizing egg prices, while efforts were directed in seeking new outlets in Japan. A token quantity of fresh eggs was shipped by local egg dealers and NOREN to the Kobe-Osaka and Kagoshima areas during the peak production months. This was a sharp contrast to the situation prevailing in 1969 and in early 1970 when the laying flock was severely crippled by the outbreak of Newcastle and Marek's diseases.

Livestock and Poultry Population (As of 1 January)

	Number of Head 1970	Number of Head 1971
Cattle, Beef	26,430	27,572
Cattle, Dairy	2,506	2,678
Horses	8,373	7,609
Hogs	227,964	249,811
Goats	30,975	27,483
Poultry	1,328,642	2,015,861

Broiler Production

The Okinawa Broiler-Processing Company notified its poultry raisers on 5 December 1970 that the purchase price of broilers, on a live weight basis, would be reduced from 57½¢ to 55¢ per kilogram effective 10 December 1970 and requested the producers to voluntarily reduce their monthly production by 50 percent for the months of January and February 1971 because of the oversupply of frozen broilers. Approximately 400 metric tons of locally processed broilers were being held in stock, equalling the amount which had been approved by the GRI for importation from the United States for the first half of FY 1971. Upon the request of the poultry hatcheries, broiler producers, and the processing company, the GRI suspended the issuance of import quotas for frozen broilers from 1 January 1971.

Chuo Food-Processing Company

The Chuo Food-Processing Company formally opened its poultry-processing plant at Kyoda, Nago, on 20 April 1971. This facility was constructed at a cost of \$420,000, of which \$288,000 was financed through a loan from the GRI Industrial Development Fund. This is the second poultry-processing plant to be established in the Ryukyus and is capable of processing 6,000 birds per day.



High Commissioner Lampert and Civil Administrator Fearey visit the Naha Meat Company's cattle-feeding station in Itoman

Imports and Exports

Exports of livestock and livestock products in FY 1971 were valued at \$4.3 million, representing an increase of about \$1.5 million over the previous fiscal year. This was mainly attributed to the significant rise in the shipment of dressed pork, which tripled in volume during the year to 1,741 metric tons, aided by the government's hog-price support program, bigger production facilities operated by farmers and private firms closely tied in with supermarket chains and other livestock import firms in Japan. Dressed beef tonnage, on the other hand, dropped from 246 to 106 metric tons because of the local shortage of feeder cattle and the high cost of breeders imported from Japan. Moreover, the prolonged drought in 1971, particularly in the Miyako and Yaeyama areas which are the main production centers of Ryukyuan feeder cattle, is expected to adversely affect beef production in the future.

In the import area, major changes were seen in the imports of day-old chicks and poultry meat, which declined to approximately one-third of the previous year's level. Live hog imports also fell significantly, from 308 head to 64 head, attesting to the islands' self-sufficiency in this area.

Imports and Exports Livestock, Meat Products, and Poultry

<u>No. of Head</u>	<u>Import</u>		<u>Export</u>	
	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1970</u>	<u>FY 1971</u>
Cattle, Beef	2,000	1,941	4,378	4,675
Cattle, Dairy	74	108	-	-
Hog	308	64	124	66
Poultry (day-old chicks)	897,065	295,968	-	39
<u>Metric Tons</u>				
Beef, Dressed	3,098	3,268	246 <u>1/</u>	106
Pork, Dressed	107	111	583 <u>1/</u>	1,741
Sausage	426 <u>1/</u>	362	31	-
Bacon	119	171	3	-
Ham	2	12	30	-
Poultry Meat	1,954	687	-	-

1/ Revised from previous year. Source: GRI Planning Department.

FORESTRY

Forest Area and Products

The total forest and grassland area in the Ryukyu Islands covers 134,455 hectares (forests, 101,680 hectares; grassland, 32,775 hectares), of which 30 percent is owned by the government, 43 percent by municipalities, and 27 percent by private individuals. Major forest resources consist of approximately 10,000 hectares of coniferous trees, 55,000 hectares of hardwood, and 7,000 hectares of mixed wood.

Production of Forest Products
(cubic meters)

	<u>FY 1970</u>	<u>FY 1971</u>
Logs	13,192	12,789
Telephone and Roof Poles	678	8,360
Sawn Lumber	2,431	3,231
Railroad Ties and Mine Timber	17	1,376
Firewood	9,194	19,916
Pulpwood	24,557	18,204
Bamboo (bundle)	3,412	5,300
Charcoal (metric ton)	42	36

Administration of State Forests

During this reporting period, 121 new leases were executed by the Forestry Section, Agriculture and Forestry Department, GRI, for the use of 528 hectares of state forest land by private individuals. Total leases in effect as of 30 June 1971 numbered 906, covering 3,420 hectares of land with annual rentals of \$11,130.34.

Forestation and Beautification Program

In FY 1971, 459 hectares of state and municipal land were planted and established as commercial forests. In addition, supplemental plantings and weeding were carried out on 260 hectares in previously forested areas; and 83 hectares of tidal forests, nine hectares of watershed forests, and 10 hectares of windbreaks were planted and established along coastal areas.

Another 1.5 million trees were planted during the "First Okinawa Prefectural Tree-Planting Campaign," sponsored by the Okinawa Prefectural Tree-Planting Promotion Association (headed by former GRI Chief Executive Seisaku Ota) in cooperation with municipalities, schools, U.S. Forces, and other public and private organizations.

Construction

Four check dams were completed during the year in northern Okinawa at a total cost of \$55,370. Also completed were 10,759 meters of forest access roads and improvement of 1,830 meters of other roads within state forests in northern Okinawa and Yaeyama at a total cost of \$388,399. All of these projects were funded by the Japanese Government.

Hunting and Wildlife Conservation

The responsibility for the issuance of hunting licenses and wildlife conservation is assigned to the Forestry Section, Agriculture and Forestry Department, GRI. During FY 1971, 1,171 hunting licenses were issued, including 194 to U.S. Forces personnel. Total game bagged was estimated at 9,778 birds and 915 animals. Approximately 2,695 other

birds were captured for raising by local hobbyists under a special GRI permit.

FISHERIES

Production

Total landings of fish and other marine products in FY 1971 soared to a record high of 43,426 metric tons, valued at \$21.9 million. This represented a gain of 29.4 percent in tonnage and 28.2 percent in value over the previous fiscal year. Contributing to this rise were increased skipjack and coastal fishing operations.

Ryukyuan Marine Products Landings (Unit: metric ton and \$1,000)

	<u>FY 1970</u>		<u>FY 1971</u> 1/	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
Total Production	33,549	\$17,096	43,426	\$21,925
Fish - Total	31,240	16,376	40,138	20,392
Skipjack	6,004	2,087	16,929	3,396
Tuna Vessel Catch	15,613	9,469	13,979	10,470
Tuna	11,677	7,317	9,768	8,061
Swordfish	2,798	1,894	3,250	2,172
Shark	1,138	258	961	237
Other Fish	9,623	4,820	9,231	6,526
Snapper	1,380	1,049	1,269	1,193
Seabream	899	637	852	730
Red Scad	220	124	285	163
Flying Fish	129	36	123	43
Scraper	188	95	323	233
Horse Mackerel	157	85	231	136
Wrasse	317	128	335	168
Spanish Mackerel	164	98	145	101
Dolphin	39	12	20	8
Garfish	44	17	48	24
Grouper	171	120	241	189
Miscellaneous	5,915	2,419	5,358	3,536
Invertebrates	597	473	850	690
Cuttlefish	306	245	503	441
Octopus	124	61	123	69
Lobster	22	30	28	50
Crab	21	9	17	11
Others	124	128	179	120
Others	1,712	247	2,437	842
Shells	106	30	89	39
Seaweed	1,606	217	2,159	395
Miscellaneous	-	-	189	408

1/ Details do not add to totals owing to rounding. Source: GRI Planning Department.

Fish Auction Markets

There are seven authorized fresh fish auction markets in operation in the Ryukyus: six in Okinawa, and one in Yaeyama. During FY 1971, 6,391 metric tons of fresh fish valued at \$4.4 million were sold through these markets.

Fishing Vessels

The Ryukyuan fishing fleet in FY 1971 was comprised of 3,507 vessels with an aggregate tonnage of 28,402 gross tons. Of this total, 3,239 (92 percent) were small boats or canoes of 5 gross tons or less; 193 (6 percent) were from 5 to 100 gross tons; and 75 (2 percent) were classified as large vessels of over 100 gross tons.

Fishery Subsidy Program

GRI loans and subsidies to the fishing industry amounted to \$1.1 million in FY 1971. This included \$900,422 in loans for the construction of new vessels and modernization and repair of older vessels and \$180,495 in subsidies to fishery organizations and cooperatives for the purchase of equipment and supplies, payment of fishing vessel insurance premiums, and construction of fish nests. In addition, the GRI appropriated \$1,688,635 for the construction and improvement of fishing ports.

CHAPTER 9

FOREIGN TRADE

General

For the second successive year, a notable expansion was seen in Ryukyuan commodity exports. The total dollar value of exports in FY 1971 (excluding Free Trade Zone sales to the local market and marine products landed at foreign ports) climbed to a new high of \$120.7 million, a 13.1 percent increase over the previous alltime high of \$106.7 million attained in FY 1970. This encouraging rise in exports, however, was more than counterbalanced by a surge in commodity imports (including petroleum and Free Trade Zone imports), which increased from \$481.9 million in FY 1970 to \$562.0 million in FY 1971, for a gain of 16.6 percent. Despite the significant increase in terms of dollar value, the growth rate of both exports and imports in FY 1971 was considerably lower than that recorded in FY 1970 when exports expanded by 18.9 percent and imports by 27.3 percent.

The ever-increasing trade deficit has been a perennial economic problem facing the Ryukyu Islands. With the exception of FY 1969, this trade imbalance has shown a yearly increase in the past decade, reaching a peak of \$441.3 million in the current fiscal year. The export-import ratio during the 10-year period ranged from a low of 1:2.7 in FY 1965 to a high of 1:4.7 in FY 1971.

Trade Deficits in Past Decade (In millions of dollars)

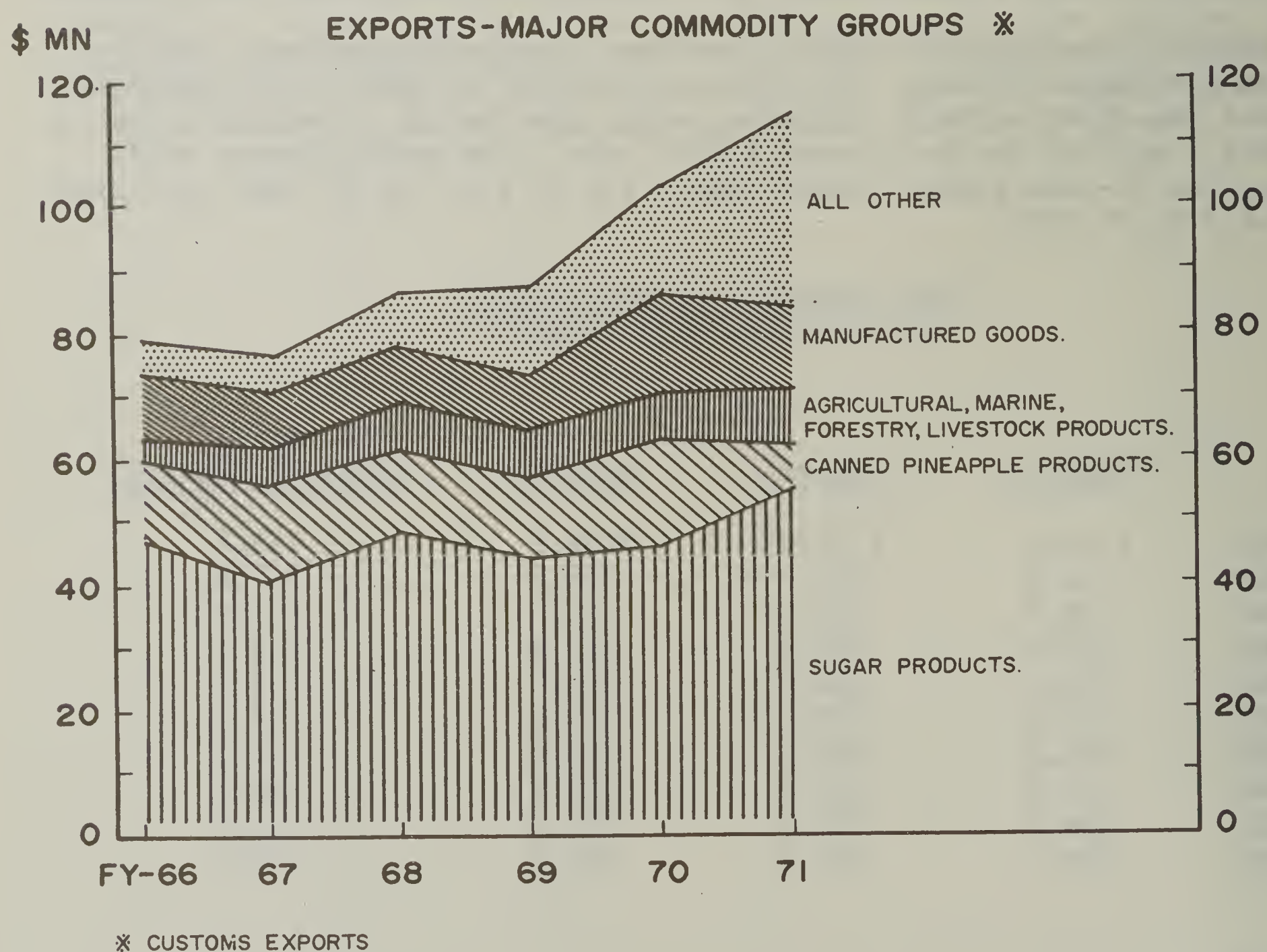
<u>FY</u>	<u>Exports</u>	<u>Imports</u>	<u>Deficit</u>	<u>Ratio</u> <u>(Exports/Imports)</u>
1962	\$ 48.6	\$174.8	\$126.2	1:3.6
1963	72.9	201.7	128.8	1:2.8
1964	69.9	211.0	141.1	1:3.0
1965	83.4	226.2	142.8	1:2.7
1966	83.2	284.7	201.5	1:3.4
1967	81.2	347.1	265.9	1:4.3
1968	89.3	379.2	289.9	1:4.2
1969	89.8	378.1	288.3	1:4.2
1970	106.7	481.9	375.2	1:4.5
1971	120.7	562.0	441.3	1:4.7

Exports

Of significance in FY 1971 was the emergence of a new export item, "refined petroleum products," resulting from the completion of the first oil

refinery in the Ryukyus by the Toyo Petroleum Refinery Company, Ltd. This company commenced exporting in November 1970 and accounted for about \$13.0 million in exports as of 30 June 1971. This commodity was primarily responsible for the 13.1 percent growth in the total dollar value of exports in FY 1971.

Gains and declines were mixed in the other main commodity groups. The most significant increase dollar-wise was seen in sugar products, the primary export of the Ryukyus, which rose by \$4.7 million (10.3 percent) to \$50.9 million and constituted 42.2 percent of total exports. This rise was due not only to increased export tonnage, but to the higher purchase price paid by the Japanese Government. Used machinery recorded the second largest increase of \$1.9 million, rising from \$5.7 million in FY 1970 to \$7.6 million in FY 1971, a 32.9 percent gain. Livestock and livestock products rose by \$1.5 million (51.7 percent) to \$4.3 million. This increase was mainly attributable to a twofold rise in exports of locally manufactured canned meat products to Japan.



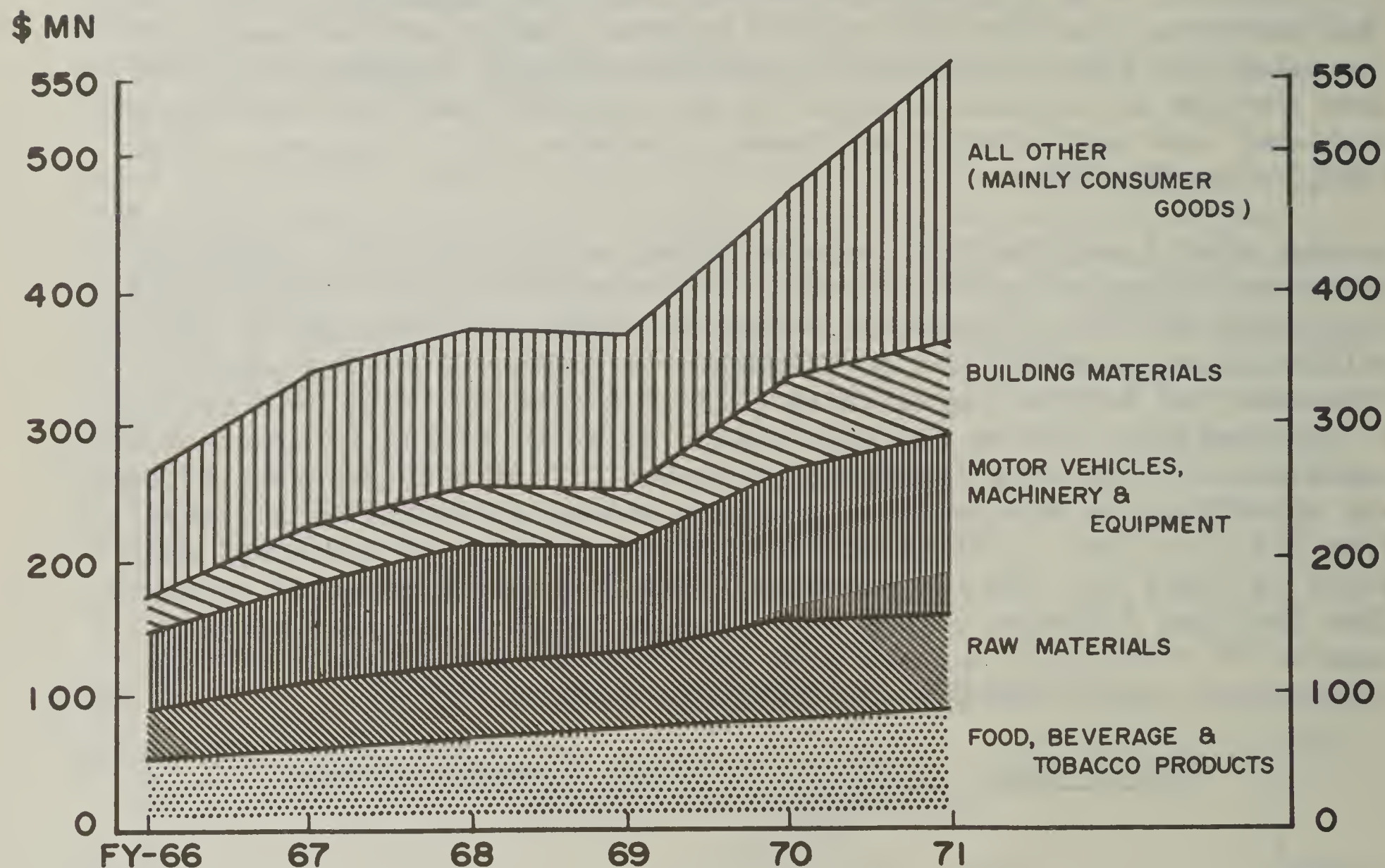
Other categories registering increases included marine products; up 21.9 percent, from \$3.3 million to \$4.1 million; mineral products, up 78.7 percent, from \$804,000 to \$1.4 million, mainly as the result of the return to full production of the Ryukyu Cement Company which had gone through an extended closure in the previous year due to pollution problems; and agricultural and forest products, up 3.7 percent, from \$911,000 to \$945,000.

On the other hand, declines were recorded in the following categories: processed pineapple products, which contributed largely to the export picture in FY 1970, dropped 29.9 percent, from \$17.6 million to \$12.3 million, due primarily to low temperatures in the flowering period (December and March); metal scrap fell 28.6 percent, from \$4.7 million to \$3.3 million, due to the high demand of local steel bar manufacturers; nonmetal scrap exports dropped 11.6 percent, from \$868,000 to \$767,000; and miscellaneous manufactured products showed a decline of 6 percent, from \$15.2 million to \$14.3 million, mainly because of decreased exports of boats and textile products. The "All Other Exports" category also declined 6 percent, from \$5.7 million to \$5.4 million, despite exports of electronic devices from the recently established Fairchild Corporation plant totaling over \$600,000 in value.

Dollar Value of Exports by Major Commodity Groups
(In thousands of dollars)

	<u>FY 1970</u>	<u>FY 1971</u>	<u>Percent Increase (Decrease)</u>
<u>Total Exports</u>	<u>\$106,687</u>	<u>\$120,703</u>	<u>13.1</u>
<u>Customs Exports</u>	<u>103,825</u>	<u>118,369</u>	<u>14.0</u>
Agricultural and Forest Products	911	945	3.7
Marine Products	3,340	4,070	21.9
Livestock Products	2,859	4,338	51.7
Sugar Products	46,149	50,896	10.3
Processed Pineapple Products	17,592	12,334	(29.9)
Other Manufacturing	15,170	14,258	(6.0)
Mineral Products	804	1,437	78.7
Metal Scrap	4,667	3,333	(28.6)
Nonmetal Scrap	868	767	(11.6)
Used Machinery	5,721	7,605	32.9
Refined Petroleum Products	-	12,989	-
All Other Exports	5,744	5,397	(6.0)
<u>Non-Customs Exports</u>	<u>2,862</u>	<u>2,334</u>	<u>(18.4)</u>
Sales from Free Trade Zone (excluding local sales)	2,862	2,334	(18.4)

IMPORTS-MAJOR COMMODITY GROUPS *



* CUSTOMS IMPORTS

Imports

Substantial gains were recorded in all of the main import commodity groups with the exception of food which remained almost static and Non-Customs imports which declined. Over half (52 percent) of the net increase in value of imports in FY 1971 was attributable to a marked growth, for the second consecutive year, of imports of producers' durable goods, such as machinery and equipment, up \$24.8 million (21.8 percent), from \$114.0 million to \$138.8 million; and building materials, up \$16.8 million (27.7 percent), from \$60.7 million to \$77.5 million. Three factors contributed to this continued expansion in capital expenditures: the prosperous state of the economy, anticipation of possible inflation, and an underlying confidence in the future of the Ryukyuan economy.

The largest of all category expenditures continued to be the "All Other Import" category consisting primarily of consumer goods, with imports valued at \$164.1 million, up \$20.5 million (14.3 percent) over the previous fiscal year. Other major commodity groups showing notable increases were: raw materials, up \$17 million (23.1 percent) to \$90.3 million; and beverages and tobacco products, up \$2 million (30.9 percent) to \$8.4 million.

Imports in the Non-Customs group suffered declines: Free Trade Zone imports, because of reduced sales, dropped to half of the FY 1970 total to \$1.9 million, while petroleum, oil and lubricants (POL) registered a 25.3 percent drop, from \$909,000 to \$679,000, due to a greater share of these products being processed through Customs and included in the raw materials group. Total POL imports, Customs and Non-Customs, showed a significant growth of 52.7 percent in FY 1971.

Dollar Value of Imports by Major Commodity Groups
(In thousands of dollars)

	<u>FY 1970</u>	<u>FY 1971</u>	<u>Percent Increase (Decrease)</u>
<u>Total Imports</u>	\$481,930	\$562,028	16.6
<u>Customs Imports</u>	477,268	559,459	17.2
Food	79,205	80,286	1.4
Beverage and Tobacco Products	6,411	8,393	30.9
Raw Materials	73,354	90,330	23.1
Machinery and Equipment	113,966	138,798	21.8
Building Materials	60,723	77,536	27.7
All Other Imports	143,605	164,116	14.3
<u>Non-Customs Imports</u>	4,662	2,569	(44.9)
Petroleum, Oil and Lubricants	909*	679**	(25.3)
Free Trade Zone Imports	3,753	1,890	(49.7)

* Revised from previous report.

** Commencing in FY 1967, most of the POL imports have been processed through Customs and included in the "Raw Materials" category.

A breakdown of the major individual items within the main commodity groups revealed some interesting changes.

In the food category, rice, which constitutes the principal import item, declined by \$2.4 million (14.7 percent) to \$14 million; meat and meat preparations, the second largest food import, dropped by \$344,000 (2.7 percent) to \$12.5 million; on the other hand, marine products rose by \$241,000 (2 percent) to \$12.2 million; and fruits gained by \$996,000 (10.4 percent) to \$10.6 million.

In the beverages and tobacco products category, alcoholic beverage imports continued to expand and recorded a \$1.4 million (44.5 percent) increase to \$4.6 million. This item accounted for 54.5 percent of total imports under this category. Tobacco products advanced by 4.4 percent to \$946,000.

In the raw materials group, the most significant change was seen in POL products, which increased by \$11.3 million (56.3 percent) to \$31.3 million. All other major commodities in this group also rose: textiles by 5.9 percent to \$17 million; livestock feed by 16.4 percent to \$10 million; grains by 14.2 percent to \$8.1 million; and chemical products by 17.1 percent to \$5.8 million.

In the machinery and equipment category, the second largest group in terms of dollar value, all items advanced with the exception of office appliances, which declined by 10.3 percent. Transportation equipment rose 12.8 percent to \$59.3 million; electrical machinery, 17.9 percent to \$44.4 million; and industrial machinery, 55.6 percent to \$31.8 million.

In the building materials group, base metals recorded a gain of 10.8 percent to \$27.4 million, and lumber and plywood increased 18.8 percent to \$22.7 million.

All commodities in the "All Other Imports" category registered gains over the previous year. Dollar-wise, the six leading items were clothing (\$24.7 million), fabricated metals (\$16.2 million), cosmetics and cleansing preparations (\$13 million), medical instruments and supplies (\$12.5 million), books and other printed material (\$8.3 million), and paper and paper products (\$8 million).

Foreign Trade by Countries

Japan not only continued to be the principal market for Ryukyuan exports in FY 1971 but increased its purchases by 14.9 percent over the previous year to \$100.8 million, which represented 83.5 percent of total exports. Exports to the United States continued to drop, amounting to \$8.2 million in FY 1971 compared with \$9.7 million in FY 1970. This reflected a 15.3 percent decrease and constituted only 6.8 percent of total Ryukyuan exports in contrast to 9.1 percent in the last fiscal year. Taiwan, for the first time, became a significant market for Ryukyuan exports, accounting for purchases of \$3.2 million in FY 1971, or 2.7 percent of the total. This favorable development was primarily the result of increased sales of scrap metal and used machinery. Exports to other Asian countries; namely, Korea, Hong Kong, Philippines, Singapore, and Thailand decreased by 25.6 percent, from \$5.7 million to \$4.5 million, yet accounted for 3.7 percent of the total. The remaining 3.3 percent of Ryukyuan exports were sent to various other countries in insignificant amounts.

Japan remained the primary source of Ryukyuan imports, accounting for 76.7 percent of the total in comparison with 75.2 percent in FY 1970. In terms of dollar value, these imports took a sharp jump, rising from \$362.1 million to \$431.1 million for a gain of 19.1 percent over the previous year.

The United States, the second largest supplier to the Ryukyu Islands, lost ground both dollar-wise and in its share of the total. Imports from the United States dropped to \$45.8 million from \$55.7 million in the previous fiscal year, a decrease of 17.8 percent, while the U.S. share of total

Ryukyuan imports declined from 11.6 percent in FY 1970 to 8.2 percent in FY 1971. The share of imports enjoyed by other countries increased from 13.2 percent to 15.1 percent in FY 1971. Taiwan gained the most in this miscellaneous group, supplying goods to the Ryukyus valued at \$10 million compared with \$8.2 million in the previous fiscal year.

Exports and Imports by Country*
(In thousands of dollars)

<u>Exports</u>				
<u>Country</u>	<u>FY 1970</u>		<u>FY 1971</u>	
	<u>Dollar Value</u>	<u>Percentage Composition</u>	<u>Dollar Value</u>	<u>Percentage Composition</u>
<u>Total</u>	<u>\$106,687</u>	<u>100.0</u>	<u>\$120,703</u>	<u>100.0</u>
Japan	87,718	82.2	100,778	83.5
United States	9,687	9.1	8,203	6.8
Taiwan	852	0.8	3,249	2.7
Philippines	1,336	1.3	1,448	1.2
Hong Kong	908	0.9	1,210	1.0
Singapore	3,149	3.0	1,038	0.9
Australia	271	0.3	648	0.5
Korea	559	0.5	473	0.4
Thailand	79	0.07	320	0.26
West Germany	38	-	164	0.1
Canada	2	-	120	0.1
Others	2,088	2.0	3,052	2.5
<u>Imports</u>				
<u>Total</u>	<u>\$481,488</u>	<u>100.0</u>	<u>\$562,028</u>	<u>100.0</u>
Japan	362,071	75.2	431,148	76.7
United States	55,718	11.6	45,822	8.2
Taiwan	8,222	1.7	10,042	1.8
Australia	9,889	2.1	8,778	1.6
Philippines	6,335	1.3	7,837	1.4
United Kingdom	4,915	1.0	6,127	1.1
Hong Kong	6,173	1.3	5,699	1.0
Denmark	4,429	0.9	4,800	0.9
Thailand	4,181	0.87	4,532	0.8
Switzerland	3,507	0.7	4,517	0.8
West Germany	3,119	0.6	4,347	0.8
Korea	1,252	0.26	1,809	0.3
Canada	1,399	0.3	1,769	0.3
France	1,248	0.26	1,098	0.2
Singapore	3,507	0.7	344	0.1
Others	5,523	1.1	23,359	4.2

* Includes Non-Customs Exports and Imports (POL, Free Trade Zone).

Note: Details may not add up to totals due to rounding.



Gulf's 100,000-barrel-per-day oil refinery on Henza Island, scheduled to be "on stream" in early 1972, is designed to produce low-sulphur industrial fuels required by modern industries in the reduction of air pollution

CHAPTER 10

INDUSTRIAL DEVELOPMENT

General

Secondary industries (manufacturing, construction, and mining) continued to expand in FY 1971. National income generated by secondary industries accounted for 18.1 percent of the total national income and amounted to \$156.0 million in FY 1971, an increase of 17.5 percent over the \$132.8 million* recorded in FY 1970. This expansion was spurred by continued accelerated activity in the construction segment which rose from \$59.7 million* in FY 1970 to \$75.7 million in FY 1971 for a notable growth of 26.8 percent. Some activity in this field was attributed to speculation on possible cost increases after reversion. Income from manufacturing and mining reflected a moderate 9.8 percent rise to \$80.3 million in FY 1971, which was substantially lower than the 15.3 percent expansion rate experienced in the last fiscal year. Employment in the secondary industries showed a slight decline with the number of workers totaling 70,000 in FY 1971 in comparison with 72,000* in FY 1970.

Foreign Investment

Thirty-three new foreign investment applications were approved by the Government of the Ryukyu Islands (GRI) during FY 1971, seven more than in the previous fiscal year, with total authorized investments of \$232.2 million. This represented more than a twofold increase over that of the previous year and the highest amount ever authorized in any one year. Contributing to this sharp rise was the proposed investment of \$230 million by the Okinawa Aluminum Company, Ltd., a joint venture of five Japanese aluminum companies, for the construction of a smelter on Okinawa. Also approved during FY 1971 were 11 amendments to existing licenses, resulting in a further increase of \$132,300 in authorized investments.

There was one significant cancellation during the year. The Aluminum Company of America (ALCOA), after conducting an exhaustive feasibility study, decided to abandon its plans of constructing an aluminum smelter on the east coast of Okinawa. It notified the GRI on 13 May 1971 of its decision not to implement its license authorizing an investment of \$100 million which had been approved by the Chief Executive in June 1970. This decision was received with great disappointment by government and business circles which had looked upon ALCOA's advancement into Okinawa as a major stimulus to the economy and a significant source for new job opportunities.

Major new investments authorized, in addition to that of the Okinawa Aluminum Company, were: Asahi Kanko Company, \$500,000 for the construction of a hotel, golf course, and related facilities; Mitsukoshi Department Store,

*Revised from previous report.

\$225,000 for a joint venture in a Ryukyuan department store; Isono Fiber Industry, \$200,000 for the construction of a mill to manufacture men's and women's nylon hosiery; Pacific International Rice Mills, \$200,000 for a joint venture with Ryukyuan capital for the construction of a tourist hotel and a livestock feed plant; Trans World Airlines, Inc., \$111,000 for offices in connection with the operations of an international airline; Nissei Sogyo Company, \$120,000 for the construction of a hotel, golf course, and yacht harbor on Ishigaki Island in the southern Ryukyus; Saxet Corporation (a subsidiary of Sterling Drug), \$100,000 for the manufacture of pharmaceuticals and cosmetics; and Taiyo Boseki Company, \$100,000 for a joint venture with Ryukyuan capital for the culture of eels, shrimps, and other fish.

Several important applications were pending at the close of the reporting period; namely, National Semiconductor Corporation, \$1.9 million for the construction of a plant to manufacture electronic products; Flying Tiger Line, \$154,000 for facilities in conjunction with operating air cargo and charter tour services; Guam Publications, Inc., \$750,000 for the establishment of an English language daily newspaper; Gulf Oil and Esso Standard Eastern for a revision of their refinery licenses to permit operations outside of the Free Trade Zone, and Esso for an amendment to its license for an additional investment of \$920,000 for service stations and service station equipment.

There were 377 foreign investment licenses in effect as of 30 June 1971, with total authorized investments of \$418.6 million (see breakdown of these investments by type of industry in table 11, page 413, appendix V). With the approval of the Okinawa Aluminum Company's application, Japanese investments constituted 58 percent of the authorized investment total and exceeded U.S. investments for the first time, \$243 million to \$172 million.

In an effort to insure a smooth transition in the foreign investment area with the approach of reversion of the Ryukyus Islands to Japanese administration, the U.S. Civil Administration of the Ryukyu Islands (USCAR) has encouraged potential foreign investors to familiarize themselves with the Japanese foreign investment law as it would apply to their individual situations in the postreversion period. Furthermore, a procedural arrangement was agreed upon by the U.S. and Japanese Governments on 25 June 1970, which offered the Government of Japan (GOJ) an opportunity to comment on applications for foreign investment licenses in the Ryukyus, if it so desired. Under this agreement, new applications, excluding routine applications, are routed from the GRI through Preparatory Commission channels to the Japanese Foreign Office. However, the above procedure does not, in any way, infringe upon the authority of the GRI or USCAR to act upon an application at any time it deems appropriate in accordance with existing procedures, which will remain in force until reversion.

Free Trade Zone

The Free Trade Zone was established by the GRI in 1960 pursuant to paragraph 5, High Commissioner Ordinance No. 12, "Foreign Trade in the Ryukyu

Islands," to encourage the use of the Ryukyu Islands as an entrepot for the storage and handling of goods for reshipment to other areas. Goods entering into and reexported from the Free Trade Zone, other than those sold to the local economy, are exempt from import duties and other customs procedures of the Ryukyu Islands. The existing production facilities are small, with a total floor space of 47,806 square feet located in an area of 88,776 square feet adjacent to Naha Commercial Port.

In more than a decade of existence, the Free Trade Zone has not had the significant effect on the economy as originally envisioned by the GRI. This is attested to by the fact that exports in the peak year, FY 1966, barely reached \$4 million in value. For the past 4 years, exports have been well under the \$3 million mark, with FY 1971 sales declining 18.3 percent from the previous year to \$2.3 million. This significant drop was due to the reduction in exports of transistor radios (down 13.2 percent) and tape recorders (down 90.1 percent) to the U.S. market because of the inability of local firms to maintain a competitive position with Hong Kong, Taiwan, Singapore, and South Korea on the international market. While total sales to U.S. outlets declined by 20.3 percent from the previous year, exports to other countries (principally Western Europe and Japan) and sales to the local market rose by 65.2 percent.

Sales From Free Trade Zone
(In thousands of dollars)

	<u>Fiscal Year</u>					
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
<u>Total Sales</u>	<u>\$4,107</u>	<u>\$3,815</u>	<u>\$2,056</u>	<u>\$2,372</u>	<u>\$2,869</u>	<u>\$2,344</u>
Transistor Radios	3,404	3,382	1,887	2,175	2,390	2,075
Cameras	529	332	119	40	4	-
Baseball Gloves	96	71	39	127	183	183
Tape Recorders	-	3	-	18	292	29
Binoculars	4	2	11	12	-	-
Men's Hosiery	-	-	-	-	-	47
Stereophonic Equipment	-	-	-	-	-	10
Other	74	25	-	-	-	-
<u>By Type of Sale</u>						
Exports to U.S.	3,272	3,158	1,390	2,010	2,752	2,217
Exports to Other Countries	340	319	485	271	59	99
U.S. Military Exchanges	438	245	94	1	51	18
Local Market	57	93	87	90	7	10

As of 30 June 1971, five firms were in operation in the Free Trade Zone, one less than in FY 1970, with a total of 237 employees compared with 475 in the previous year. Two transistor radio assembly plants and the Petri Camera plant closed down during the year, while two new firms--one for the manufacture of men's hosiery and the other, a joint U.S.-Ryukyuan venture,

for the assembly of stereophonic equipment--commenced operations. Five applications for space in the Free Trade Zone were received by the GRI during FY 1971, of which two have been approved.

The future of the Free Trade Zone remains uncertain and much depends on the attitude and development plans of the Government of Japan in the postreversion period. At present, the GRI is attempting to gain GOJ approval for the establishment of a new spacious zone in the reclamation area adjacent to Aja Port, north of Naha.

Cotton Textile Exports

Since FY 1964, Ryukyuan cotton textile exports to the United States have been subject to a quota established by the United States Inter-agency Textile Administrative Committee (ITAC). From an initial quota of 9.5 million square yards, the Ryukyuan ceiling was gradually raised to \$12.8 million square yards by FY 1970, in line with the annual average 5 percent growth factor allowed by ITAC.

The current agreement was signed in October 1970. The first 12-month period extends from 1 October 1970 to 30 September 1971 and allows for 14.8 million square yards of Ryukyuan cotton goods to be exported into the United States. The second period extends from 1 October 1971 until 30 June 1972, or such earlier date as will correspond with the reversion of the Ryukyu Islands to Japan, and allows for exports of 11.7 million square yards to the United States.

Ryukyuan manufacturers fell far short of fulfilling the FY 1971 ceiling, exporting only 12.1 million square yards valued at \$4.0 million. This decline was primarily attributed to the rising labor costs in the Ryukyus which made it difficult for the six local companies sharing in the quota to compete with other Asian countries.

Tourism

Over the past 10 years, tourism has developed into a thriving industry, second only to sugar in terms of dollars brought into the local economy. Okinawa's tourism in FY 1971 earned an estimated \$36.9 million from a total of 188,422 tourists, a rise of 14 percent in both revenue and number of visitors over the previous fiscal year. The per capita spending of the tourists, however, remained unchanged at \$196. Of this figure, \$120 went for souvenirs, \$30 for hotels, \$13 for entertainment, \$8 for food, \$11 for local transportation, and \$14 for other items.

The increase in the number of tourists in recent years has been largely due to the sharp rise in Japanese visitors. Increased incomes and leisure time have contributed to a travel boom in Japan, and the easy accessibility of Okinawa from Japan by sea and air has made the islands a popular holiday and shopping area. Japanese tourists constituted 80 percent of the total arrivals in FY 1971, compared with 78 percent in FY 1970. Visitors from the United States represented the second largest

group and accounted for 13.8 percent of the total, a slight decline from the 16 percent of the previous year. The average length of stay rose from 4.7 days in FY 1970 to 5.1 days in the current year.

<u>Fiscal Year</u>	<u>Number of Visitors</u>	<u>Estimated Expenditures</u>	<u>Per Capita Expenditure</u>
1961	25,420	\$ 6.7 million	\$265
1962	34,880	8.9 million	255
1963	43,430	10.8 million	249
1964	50,769	12.9 million	255
1965	57,845	14.2 million	246
1966	72,833	16.5 million	227
1967	97,384	21.0 million	216
1968	134,884	27.0 million	200
1969	151,628	28.0 million	185
1970	165,408	32.4 million	196
1971	188,422	36.9 million	196

Visitor Arrivals by Country

	<u>FY 1970</u>	<u>FY 1971</u>
TOTAL	<u>165,408</u>	<u>188,422</u>
Japan	129,017	150,737
United States	26,466	26,003
Other Countries	9,925	11,682



New beach facilities at the Okinawa Marine Park in northern Okinawa

The Okinawa Tourism Development Corporation, a GRI instrumentality, has played a leading role in the development and promotion of tourism. One of its major projects has been the construction and operation of the Okinawa Marine Park near Nago in northern Okinawa. During FY 1971, a large swimming pool with slide was added to the facilities at the park, and construction was commenced on a 120-room beach inn, a sea-viewing tower, and an aquarium. Plans for the corporation's Okinawan Village Center in the vicinity of the ruins of the historic Nakagusuku Castle have now been finalized, and construction was scheduled to commence in the near future.

Other tourism facilities either completed or in progress during FY 1971 were as follows:

The expansion of the Ryukyu Tokyu Hotel from the present 90 rooms to 275 rooms was under way at a cost of \$4.3 million. A loan of \$2.3 million was made available for the project by the Ryukyu Development Loan Corporation (RDLC). Completion is scheduled for mid-1972.

The 86-room Port Kanko Hotel near Naha Port was completed at a cost of \$1.1 million. Facilities include a shopping arcade, skyline restaurant, and nightclub.

The 34-room Hotel Wago in the Machinato Commercial Area was completed at a cost of \$650,000.

Construction of an 18-hole public golf course and club house on a site overlooking the Onna Beach area was commenced by the Kokusai Golf Course Company, Ltd., at an estimated cost of \$1.8 million.

The 200-room Okinawa Hilton Hotel in central Okinawa was under construction at a total cost of \$4 million, with financial assistance of \$2.8 million provided by RDLC. The hotel, owned by the Daiwa Realty Company, will be managed by Hilton International.

Construction was commenced on the Tourist Hotel Santa Lucia in Naha at a total cost of \$1.5 million, of which \$700,000 will be financed through a loan from the GRI Tourism Development Fund. The hotel facilities will consist of 85 rooms, cocktail lounge, skyline restaurant, steam baths, and shopping center.

The 120-room Tourist Hotel Nizo-Kan, complete with skyline restaurants, nightclub, and shopping center, was under construction in Naha at a total cost of \$1.7 million. Completion is scheduled for early 1972. Another 60-room Tourist Hotel Nijo-Kan was also under construction in the same complex and under the same management at a cost of \$750,000. Financial assistance of \$200,000 was provided for this construction by the GRI from its Tourism Development Fund.

Construction of the 230-room Pacific Kanko Hotel in Naha was in progress at an estimated cost of \$2.3 million, of which \$920,000 was financed through an RDLC loan.



Linkup of the 3-mile-long Yakena-Henza causeway was completed by Gulf on 5 June 1971, permitting vehicular traffic for the first time between these two points

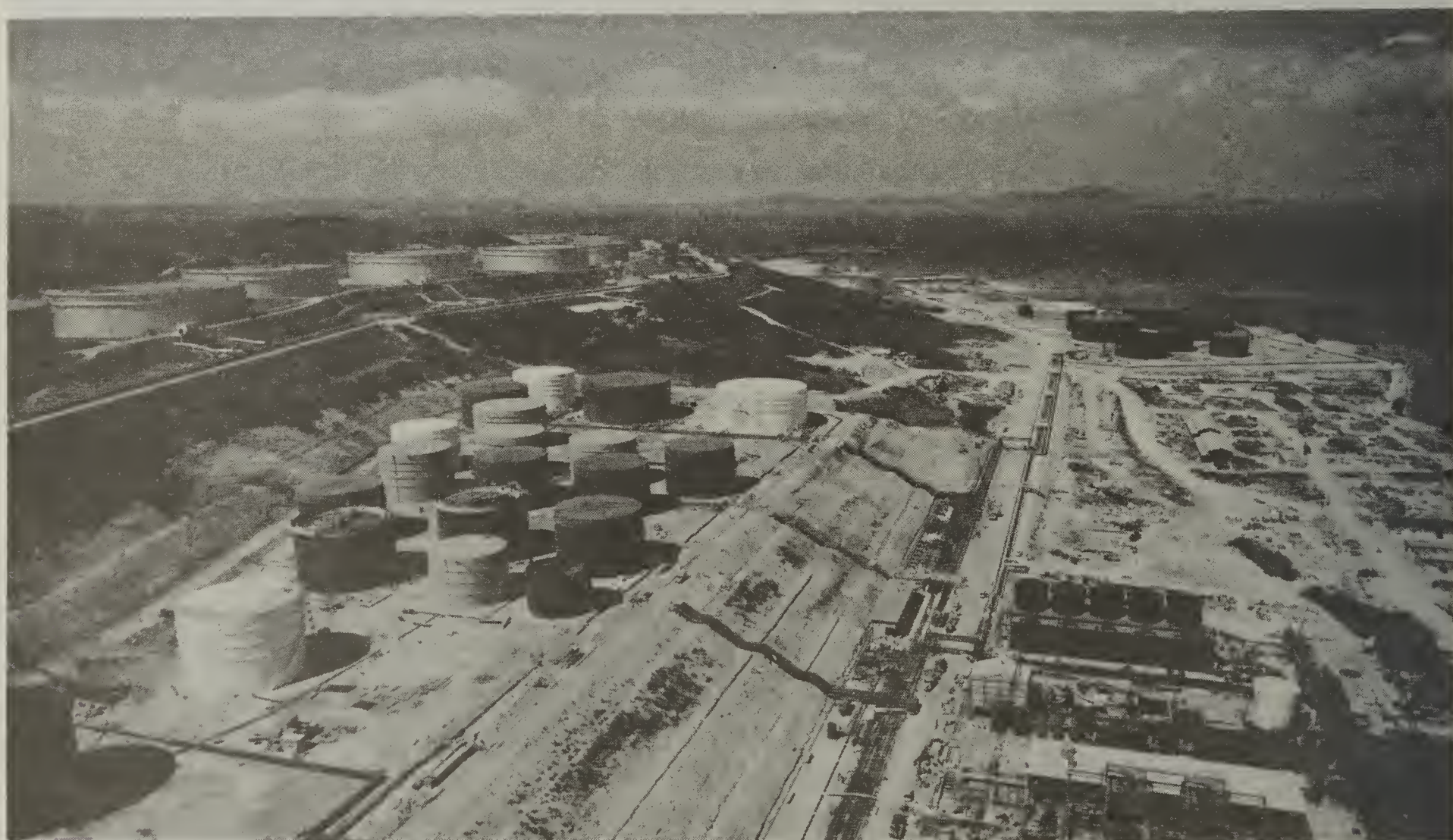
New Industries

New production facilities continued to be added to Okinawa's industrial establishment during FY 1971. Among the more important of these enterprises were the following:

Gulf Oil Corporation. Petroleum storage terminal facilities were completed in December 1970 as part of a storage and refinery complex on Henza Island, involving an authorized overall investment of \$103 million. The storage facilities consist of a sea berth, capable of accommodating the largest of ocean-going tankers, and 12 storage tanks with a capacity of 640,000 barrels each. The storage area will be used for reshipment of crude oil to refineries in other Asian countries and will also complement Gulf's Henza Island refinery, which is scheduled for completion in April 1972.



Gulf employees check out the installation of the sulphur recovery units

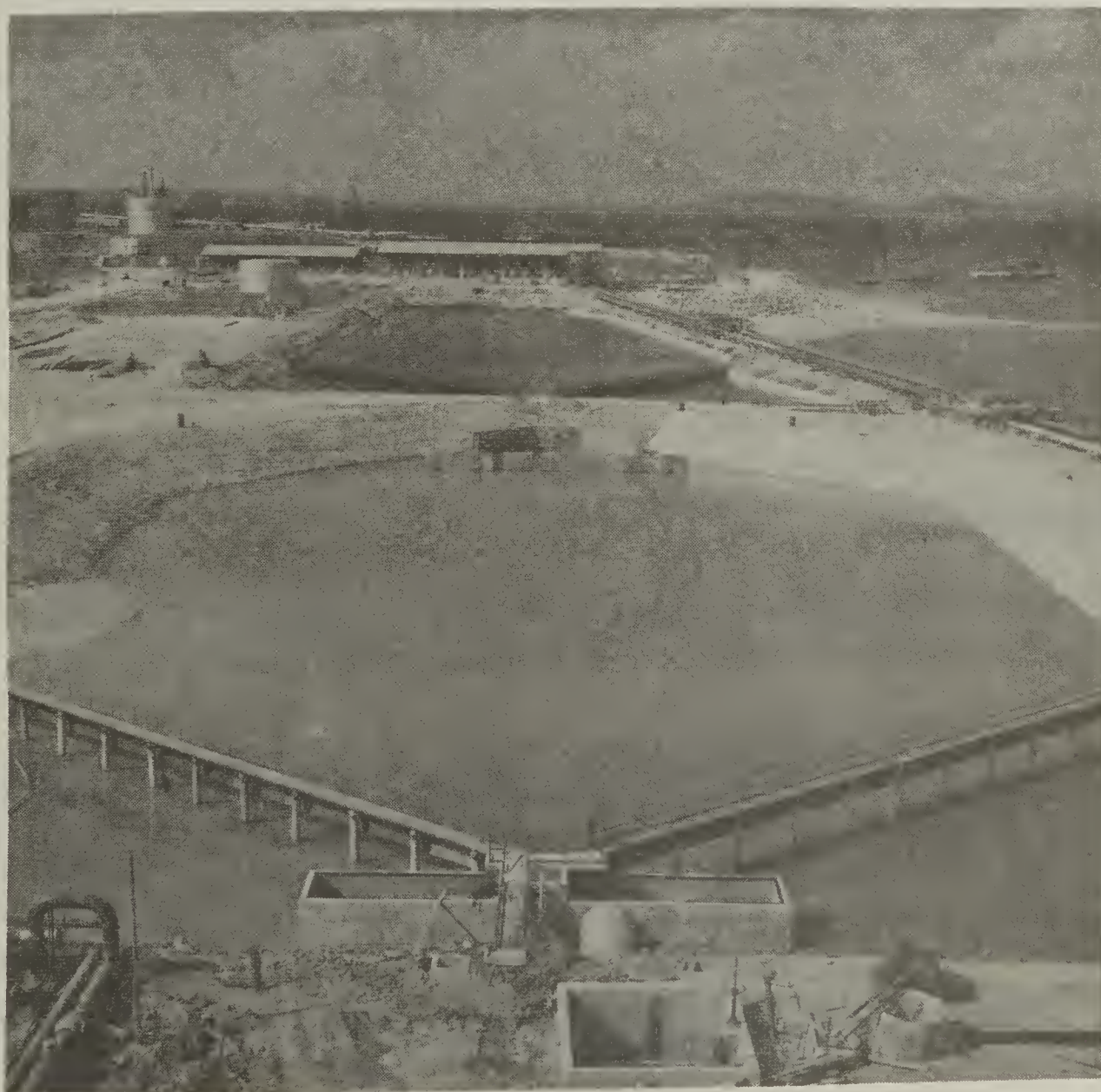


A bird's-eye view of Gulf's terminal and refinery facilities on Henza Island



Gulf's sea berth in Kin Bay was constructed at a cost of approximately \$20 million to accommodate tankers up to 500,000 deadweight tons

Sea water
is collected
and tested in
separator ponds
to insure against
oil contamination



Toyo Denshi Industry. A plant for the manufacture of floor tiles and other related construction materials was completed in the Awase area at a total cost of \$850,000, of which \$500,000 was financed through a loan from the GRI Industrial Development Fund.

Chuo Food-Processing Company. A broiler-processing and -packing plant was constructed in Nago. Total cost of construction was \$420,000, with financial assistance of \$288,000 from the GRI Industrial Development Fund.

Orion Cider Company, Ltd. A new plant for the production of cider-type soft drinks was completed in May 1971. Total cost was \$185,000, of which \$105,000 was financed through a loan from the GRI Industrial Development Fund. Production capacity is 2,000 cases per day.

Nakijin Sugar Refinery. The Hokubu Seito's Nakijin sugar mill was converted into a sugar refinery at a total cost of \$1.2 million, aided by a \$475,000 loan from the GRI Industrial Development Fund. The new sugar refinery is designed to produce about 3,000 metric tons of refined sugar monthly for the Ryukyuan market. Raw sugar will be imported from Taiwan until reversion; thereafter, local raw sugar will be used. This refinery plant is the first of its kind in the history of the Ryukyu Islands. The Nakijin sugar mill was originally constructed in 1959 for the production of raw sugar at a total cost of \$4,146,000, of which \$1,864,000 was provided by RDLC.

Ryukyu Cellophane Industry. A plant for the manufacture of cellophane products to meet the requirements of local tobacco manufacturers and food-processing plants was completed in Naha City at a total cost of \$285,000. A loan of \$188,000 was extended from the GRI Industrial Development Fund.

Taishin Industry Company. A nail-manufacturing plant was established in Haeburu-son at a cost of \$60,000. Production capacity is 5 tons of nails per day.

Nikki Plastic Industry Company. A factory in Urasoe City for the manufacture of plastic buckets was completed at a cost of \$70,000. It will supply products mainly to the local market.

Expansions

The following enterprises either completed or were in the process of completing major expansions during the reporting period:

Nanko Kamoku Company, Ltd., expanded its lumber-manufacturing plant to include a plywood factory with a monthly production capacity of 5 million square feet. Total cost was \$600,000, of which \$490,000 was financed through a loan from the GRI Industrial Development Fund. The number of employees was increased from 80 to 138 workers.

Ryukyu Feed-Manufacturing Company installed additional machinery to increase its daily production capacity of livestock feed from 150 tons

to 350 tons. A loan of \$232,000 was obtained from the GRI Industrial Development Fund to finance part of the total cost of \$400,000.

Okinawa Food Company, Ltd., completed a broiler-processing plant at a total cost of \$350,000, of which \$240,000 was financed through a loan from the GRI Industrial Development Fund.

Daiichi Agricultural Chemical Company completed the construction of an additional plant for the manufacture of agricultural chemical products at a total cost of \$120,000. Financial aid of \$90,000 was made available from the GRI Industrial Development Fund.

Kokuba-Gumi Company, Ltd., added a woodwork plant for the manufacture of furniture at a total cost of \$150,000, of which \$105,000 was financed through a loan from the GRI Industrial Development Fund.

Okinawa Awamori Brewery Company, Ltd., completed an additional plant to increase its annual production capacity of Awamori (Sake) from 8,000 koku to 20,000 koku (1 koku equals 47.6 U.S. gallons). Sixty percent of the Awamori production will be exported to Japan. Total cost was \$150,000, with \$112,000 being financed through the GRI Industrial Development Fund.

Okinawa Broiler-Processing Company expanded its plant facilities to increase its daily processing capacity from 3 to 15 tons. A loan of \$130,000 was obtained from the GRI Industrial Development Fund to finance 87 percent of the total cost of \$150,000.

Naha Meat-Processing Company completed expansion of its beef cattle and hog-breeding facilities and slaughterhouse at a total cost of \$140,000, of which \$123,000 was financed through the GRI Industrial Development Fund.

Union Bakery Company, Ltd., installed additional machinery to modernize its bakery and confectionery facilities with an investment of \$275,000, of which \$243,000 consisted of a loan from the GRI Industrial Development Fund.

Okinawa Aichi Iron Industry completed installation of machinery and apparatus for the manufacture of iron castings and machinery parts required by the sugar and pineapple industries. Total cost was \$150,000, with financial assistance of \$133,000 from the GRI Industrial Development Fund.

Mining and Minerals

The acceleration of large public construction projects during the year, such as the Highway No. 41 bypass, Henza-Yakena causeway, new Naha Port, and Naha Commercial Airport, resulted in a sharp upturn in mining activities. Production in FY 1971 totaled 5.1 million metric tons, valued at \$6.1 million, representing a 60.1 percent increase in tonnage and a 73.3 percent rise in value in comparison with the previous fiscal year.

Mineral Production
(Unit: 1,000)

	<u>FY 1970</u>		<u>FY 1971</u>	
	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>
	(metric tons)		(metric tons)	
TOTAL	3,186	\$3,521	5,102	\$6,102
Coral Rock	1,260	1,260	2,089	1,420
Fine Aggregate	1,500	1,800	2,558	4,272
Limestone	365	292	385	297
Silica	55	49	62	51
Travertine	6	120	8	62

Fine aggregate products constituted 50.1 percent of total production and registered a 70.5 percent increase in quantity and 137.3 percent in value over FY 1970. Coral rock production showed a 65.8 percent rise in tonnage; however, lower prices resulted in only a 12.7 percent gain in value over the previous year. Revenue from limestone and silica rose slightly over the past year, while travertine declined by 48.4 percent due to the closure of the Osaka Exposition.

There were 46 enterprisers engaged in the mining of fine aggregate; 35, in coral rock; one, in limestone and silica; and three, in travertine. A total of 1,520 workers were employed by these enterprisers in FY 1971, compared with 200 in the previous year.

CHAPTER 11

TAXATION AND CUSTOMS

General Administration

The Department of Taxation and Revenue, Government of the Ryukyu Islands (GRI), is responsible for the administration and enforcement of the tax and revenue laws of the Ryukyu Islands. Tax collections are accomplished through its Tax and Customs Divisions, which are comprised of a central office in Naha, seven district tax offices, three customs houses, and four customs suboffices in outlying areas. Advice and technical assistance are provided to the department by the Comptroller Department, U.S. Civil Administration of the Ryukyu Islands (USCAR).

Department of Taxation and Revenue

The GRI Department of Taxation and Revenue is structurally organized to administer 21 major tax laws, 18 of which are directly concerned with the generation of tax revenue for the GRI. The department is divided into two operating divisions: the Taxation Division, which administers the income tax and excise tax laws; and the Customs Division, which administers the import tax and other customs laws. The department also includes an Administrative Section, a Tax Legislation Group, both of which are under the direct supervision of the department director, and a Tax Review Board, which functions as a semiautonomous body of the department.

The Department of Taxation and Revenue is headed by a director who is appointed by the GRI Chief Executive from among the senior tax officials in the GRI civil service system. No term of office has been established by law but, generally, a director serves for a period of 2 to 3 years.

Administration Section

Functions of the department that are not directly related to the administration of tax laws are performed by the administration section. These functions are many and varied and include, among other things, administration of the department's operating budget, coordination of training conducted both locally and in Japan, and procurement of supplies and equipment for the department.

Taxation Division

This division is comprised of the direct tax, indirect tax, and collection sections, which are respectively responsible for administering the personal and corporate income tax laws, excise tax laws, and tax collection law. These sections provide the central management functions for planning, coordination, training, and assistance

to counterpart sections of district tax offices. An audit section is also part of this division, with the primary function of auditing tax returns filed by major corporate and personal income taxpayers.

Customs Division

This division, consisting of the business and appraisal sections, provides the central management functions for local customs offices. Major customs operations cover such activities as the appraisal, storage, inspection, and clearance of all imported cargo and the collection of import taxes on taxable commodities. Investigation of cases involving tax evasion and smuggling is also a major activity of this division.

Tax Legislation Group

This group is responsible for incorporating the tax policies of the GRI into draft legislation. Drafting of legislative proposals is preceded by indepth studies of the prevailing economic and social conditions to determine the need for, or the extent of, changes to be made in existing tax laws. These may involve the revision of tax rates, exemptions, and/or deductions; additions or deletions to the list of taxable imported commodities; or even the rewriting of tax laws in their entirety.



Specialists in the GRI Department of Taxation discuss
proposed tax legislation

Other major functions of this group include testifying before the legislature on proposed tax legislation, setting up implementation regulations for enacted tax bills, and resolving controversial issues and questions regarding the interpretation of tax laws and/or regulations through the issuance of rulings and instructions to the operating divisions. Another principal function is the compilation of revenue budget estimates for the GRI. Additionally, collection performances of operating divisions are carefully reviewed by this group during the year to assure that sufficient revenue is being derived in accordance with these estimates.



Main office of the GRI Department of Taxation and Revenue

Tax Review Board

The first stage in the administrative appeal procedure under the GRI tax laws is known as "reinvestigation." Taxpayers who are dissatisfied with decisions rendered by district tax offices on any tax matter, particularly additional assessments arising from audits, may file an administrative appeal or protest with the office making the determination. Cases filed under reinvestigation are normally reviewed by a senior official of the tax office making the original determination. If the taxpayer remains dissatisfied with the determination, he has the right to file an appeal with the Tax Review Board. This is the second and final stage in the procedure of administrative appeal prior to judicial review and is known as "reconsideration."

Although this board is part of the Department of Taxation, in the interest of objectivity and fair play, the review of tax cases coming before the board is conducted independently of the department or of its district offices. The decisions of this board, comprised of three reviewers appointed from among senior tax officials, are binding upon the GRI and the taxpayer. However, a taxpayer still retains the right to file an appeal with a GRI court against an adverse ruling by this board.

During this reporting period, 247 reinvestigation cases were filed (including cases carried over from past years) and 232 cases were settled at this level. Sixty-one cases (including carryover cases) were submitted for reconsideration, and settlement was reached in 25 cases.

District Tax Offices

There are seven district tax offices in the Ryukyu Islands, of which five are located on the main island of Okinawa, with three in the city of Naha, one in Koza, and another in Nago. The other two offices are located in Ishigaki City, Yaeyama, and in Hirara City, Miyako. These district offices are organized along the same lines as the Taxation Division, with separate sections established to handle excise taxes, personal and corporate income taxes, and collections.

The largest district office is the Naha Tax Office which is primarily responsible for approximately two-thirds of the area of the city of Naha with a population of about 277,000. Major commercial and industrial activities centered in this area produce or account for about 35 percent of the total gross national product of the Ryukyu Islands. In FY 1971, this office produced \$23.6 million in tax revenue, which was 24.6 percent of the total GRI tax collections.

The North Naha Tax Office was established on 1 November 1967 to relieve the workload of the Naha Tax Office. The area covered by this office includes, in the main, small- and medium-type commercial and industrial firms. The tax revenue produced by this office in FY 1971 amounted to \$7.4 million.

The Foreign National Tax Office was established in Naha to service all non-Ryukyuan businesses and individuals. In addition to administering all of the GRI tax laws, this office is also charged with the responsibility of administering three tax ordinances issued by USCAR. Two of these ordinances define the tax liability of foreign nationals (Ordinance 115) on income earned in the Ryukyu Islands. A third ordinance (Ordinance 126) imposes a road tax on vehicles that are owned by members of the U.S. Forces. This tax is collected by the Office of the Provost Marshal, U.S. Army, Ryukyu Islands (USARYIS), at the time of vehicle registration, and is forwarded every month to the Foreign National Tax Office.

As the largest employer on Okinawa, the U.S. Government and its agencies also withhold personal income taxes on the salaries and wages of some 35,000 Ryukyuan and third state national employees. Taxes collected from this source constituted a significant part of the \$6.9 million produced by this office in FY 1971.

The Koza Office is located in the heart of the population area and business activity of central Okinawa. While the overall economy of the Ryukyu Islands is supported to a great extent by direct and indirect expenditures of U.S. military units and personnel stationed on Okinawa, nowhere is this more directly felt than in the city of Koza and its adjacent municipalities. Although official figures are unavailable, it is estimated by tax officials that the service and commercial enterprises, which dominate the economic life of this area, gross roughly \$3 million per month from spendings of U.S. Forces personnel. These businesses, together with other commercial and industrial activities, and to some extent agriculture, accounted for the \$5.5 million in tax revenue collected by the Koza Tax Office during FY 1971.

The smaller offices in the city of Nago and in the outlying areas of Miyako and Yaeyama do not generate as much revenue as the aforementioned offices; however, they contribute materially in assistance rendered to the taxpayers in these areas and in the general administration of tax laws.

Customs Offices

Naha Commercial Port, Tomari Port, and Naha Civil Air Terminal are the three major commercial ports of entry into the Ryukyu Islands. Naha Commercial Port, which services all ships engaged in international commerce entering into or departing from the Ryukyu Islands, is the largest port on the basis of the number of ships and volume of cargo handled. The customs office located at this port and its staff of 155 customs officials are responsible for the orderly arrival and departure of ships and passengers, as well as the landing, inspection, storage, and clearance of millions of tons of cargo that pass through this port annually into the Ryukyu Islands. Taxes collected by this office on imported gasoline and diesel oil, sugar, tobacco, liquor, automobiles, electrical appliances, and other consumer goods totaled \$28.2 million in FY 1971, or 74.3 percent of the total import taxes collected during the year.

The customs office at Naha Civil Air Terminal, with a staff of 44 customs officials, processed 542,000 incoming and outgoing passengers and 3,336 tons of cargo transported by seven regularly scheduled international air carriers during FY 1971. Import taxes collected by this office during this period totaled \$2.0 million.

Tomari Port, also in the city of Naha, is limited to smaller ships of Ryukyuan registry which are engaged in the Okinawa/Taiwan trade and



Air passengers go through the baggage inspection line at the
Naha Civil Air Terminal

interisland service within the Ryukyu Islands. During the current year, 67 customs officials at this port processed a total of 28,000 passengers and 532 tons of imported cargo. Import taxes collected by this office amounted to \$7.8 million.

Other smaller customs suboffices are located at Unten Port in northern Okinawa, and at Miyako and Yaeyama. Another suboffice is in operation at Henza Island to process the entry and departure of oil tankers calling at the Gulf Oil Company's terminal.

Tax Collections - FY 1971

Total tax collections during FY 1971 reached \$95.7 million, reflecting a healthy growth of 14.6 percent, or \$12.2 million, over the previous fiscal year. Total revenue from individual and corporate income taxes in FY 1971 rose by \$5.5 million (17.9 percent) to \$36.6 million, compared with the relatively small gain of \$1.3 million (4.2 percent) recorded in FY 1970. This increase was due largely to improved audit procedures and intensified collection efforts. Excise tax receipts also advanced by \$6.6 million (12.7 percent) to \$59.1 million in FY 1971; however, the growth rate in this area was not as spectacular as in the previous fiscal year when an increase of \$9.3 million (21.5 percent) was attained.

Government of the Ryukyu Islands Collections

<u>Type of Tax</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>Increase (Decrease)</u>	
	<u>Final</u>	<u>Final</u>	<u>Amount</u>	<u>Percent</u>
<u>Income Taxes</u>				
Individual Income Taxes				
Withholding	\$14,527,100	\$16,566,698	\$ 2,039,598	14.0
Self-Assessed	4,914,252	5,961,525	1,047,273	21.3
Total	19,441,352	22,528,223	3,086,871	15.9
Corporation Income Taxes	11,637,232	14,117,276	2,480,044	21.3
Total Income Taxes	31,078,584	36,645,499	5,566,915	17.9
<u>Excise Taxes</u>				
Motor Vehicle	2,410,503	398,421	(2,012,082)	(83.5)
Travel	298,233	361,662	63,429	21.3
Domestic Liquor	6,135,902	6,523,631	387,729	6.3
Amusement	602,503	749,792	147,289	24.4
Entertainment	1,124,827	1,166,222	41,395	3.7
Commodity	16,249,613	18,716,227	2,466,614	15.2
Soft Drinks	1,708,493	2,200,648	492,155	28.8
Leaf Tobacco	820,819	766,519	(54,300)	(6.6)
Import Liquor	3,227,535	3,952,159	724,624	22.5
Import Tobacco	3,929,384	4,121,896	192,512	4.9
Sugar	1,961,556	2,094,266	132,710	6.8
Tonnage	60,730	156,821	96,091	158.2
Petroleum	10,163,920	10,658,697	494,777	4.9
Stamp	3,717,732	6,849,779	3,132,047	84.2
Special Tonnage	53,289	196,029	142,740	267.9
Mine Lot	1,159	2,122	963	83.1
Liquefied Petroleum Gas	-	188,033	188,033	-
Registration	-	2,776	2,776	-
Total Excise Taxes	52,466,198	59,105,700	6,639,502	12.7
 TOTAL TAXES	 <u>83,544,782</u>	 <u>95,751,199</u>	 <u>12,206,417</u>	 14.6

Individual income taxes continued to be the largest single producer of revenue, accounting for 23.5 percent of total receipts, followed by commodity taxes, corporation taxes, petroleum tax, and stamp tax. These five components yielded 76 percent of the total tax intake. The notable increase in the stamp tax revenue (from \$3.7 million in FY 1970 to \$6.8 million in FY 1971) was the result of changes made during this reporting period in the method of collecting motor vehicle taxes. In past years, the motor vehicle tax was paid at district tax offices during prescribed payment periods. Under the present system, revenue stamps in the amount of the tax due must be purchased prior to inspection and re-registration of the vehicle. This has contributed to a drastic reduction in delinquent motor vehicle taxes. (In future years, motor vehicle taxes will be eliminated as a line item and will be included in the stamp tax revenue.)

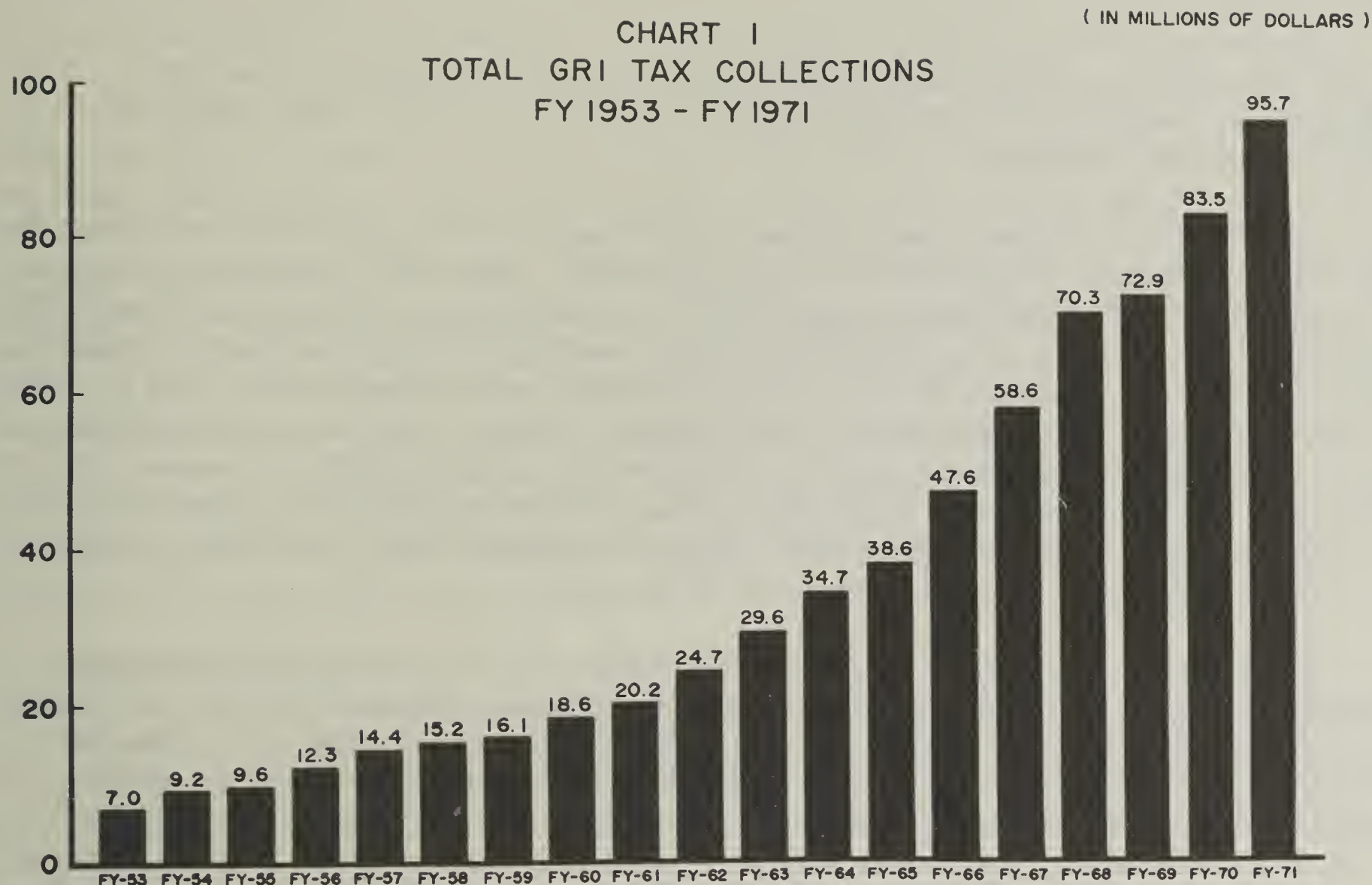
In the commodity tax area, it should also be noted that, of the thousands of taxable items, over half of the total collections in FY 1971 were derived from only 10 items, among which imported automobiles alone accounted for nearly one-fourth of the total commodity tax receipts.

Commodity Taxes on Imported Merchandise

<u>Type of Merchandise</u>	<u>Tax Rate</u>	<u>Imported Value</u>	<u>Tax Collected</u>	<u>Percent Composition</u>
Automobiles	30%	\$ 15,245,593	\$ 4,573,662	24.4%
Confections	25	4,553,893	1,138,457	6.1
Clothing	10	8,049,177	804,757	4.3
Clothing (cotton)	5	12,075,958	603,806	3.2
Trucks	5	11,400,230	570,054	3.0
Furniture	15	3,599,170	539,917	2.9
Refrigerators	15	3,403,559	510,532	2.7
Television Sets	15	2,617,564	392,164	2.1
Phonographs (including Hi-Fi sets)	15	2,413,405	387,492	2.1
Confections (high grade)	40	840,461	336,184	1.8
Subtotal		64,199,010	9,857,025	52.7
All Others		115,102,836	8,859,202	47.3
Grand Total		<u>179,301,846</u>	<u>18,716,227</u>	<u>100.0</u>



Weekly staff conference at the Foreign National Tax Office



Review of Tax Collections - FY 1953-71

The rapid growth of the GRI tax operation since its inauguration in FY 1953 can be seen in the expansion rate of total revenue. From an initial yield of \$7.0 million in FY 1953, collections reached \$95.7 million in FY 1971 (budget estimate for FY 1972 is \$104 million). During this period, national income rose at an average annual rate of 13.1 percent, while GRI tax receipts showed an average annual increase of 15.6 percent, attesting to the effectiveness and progressiveness of the GRI tax structure.

The highest increases were recorded in the areas of corporate income, imported commodity, and personal income taxes. Collections from corporate income taxes rose from \$218,000 in FY 1953 to \$14.1 million in FY 1971, a gain of approximately 65 times over the FY 1953 yield. Similarly, revenue from commodity taxes grew from \$390,000 in FY 1953 to \$18.7 million in FY 1971, for an increase of about 48 times. Receipts from personal income taxes in the same period rose from \$1.9 million to \$22.5 million, or almost a 12-fold increase. Had it not been for the tax reductions that were implemented from time to time by the GRI, the personal income tax yield would have surpassed the growth rate of either the corporate income tax or commodity tax. (See table 12, page 414, appendix V, for breakdown of GRI tax collections by year.)

Legislation

The 1970 session of the GRI Legislature, which remained in session through 31 August 1970, considered 14 tax bills, the major ones of which were as follows:

The bill to amend the personal income tax law, regarded as the cornerstone of GRI's legislative tax proposals, increased exemptions for the taxpayer and his spouse from \$440 to \$470, for dependents from \$200 to \$270, as well as raising the maximum amount of wage earner's deduction (somewhat similar to the U.S. standard deduction) from \$660 to \$925. These proposals were passed as introduced. Under normal circumstances, these changes would have become effective on 1 July 1970; however, in view of GRI's financial stringency, the effective date was advanced to 1 January 1971, thus reducing the loss in revenue from an estimated \$5.0 million to \$2.18 million.

To partially offset this revenue loss, a bill was introduced and passed to raise the tax on gasoline and diesel oil from \$44.50 per kiloliter (16.84 cents per gallon) to \$52 per kiloliter (19.68 cents per gallon). It was estimated that this increase would produce an additional \$1.2 million in revenue.

The use of liquid propane gas (LPG) as automotive fuel continued to gain popularity among taxi firms as a result of the increase in gasoline tax. In an effort to gradually equalize the tax burden between LPG and gasoline users, the GRI proposed a tax of 2 cents per kilogram on propane gas. This new tax was approved by the legislature and became effective in August 1970. An estimated revenue of \$160,000 was expected from this source.

Amendments to the liquor and tobacco tax laws were also introduced into the legislature but were not enacted. Principal revisions proposed in these bills were to increase the tax on locally manufactured cigarettes from 2 cents to 3 cents per pack and on imported cigarettes, from 6 cents to 9 cents per pack; and to raise the duty on imported whiskey from 185 percent of imported value to 250 percent, while reducing the tax on imported beer from approximately 200 percent to 180 percent, or from \$47 to \$42 per liter.

Joint USCAR - GRI Tax Committee

This joint committee, comprised of three GRI and three USCAR representatives, was inaugurated in the summer of 1969 with the primary mission of reviewing the overall GRI tax structure and formulating a tax program to promote the unification of the GRI and Japanese tax systems in order to ensure a smooth and orderly transition to Japanese administration.

One of the principal subjects taken up by the committee was the GRI proposal to rescind the three USCAR tax ordinances; namely, Civil Administration Ordinance No. 114 (Ryukyuan Income Taxes), CA Ordinance No. 115

(Corporation Taxes), and CA Ordinance No. 126 (Payment of Tax on Private Vehicles for Use of Highways). Of particular concern were Ordinances 114 and 126 which, the GRI claimed, gave preferential tax rates to foreign nationals and U.S. Forces personnel. The GRI contended that income taxes paid by foreign nationals under Ordinance 114 were relatively lower than those paid by local nationals on the same amount of income under the GRI personal income tax law. Because of the apparent inequities between the two laws, the GRI insisted that its personal income tax law be made applicable to all taxpayers in the Ryukyu Islands. The GRI also maintained that vehicle registration taxes paid by U.S. military personnel and U.S. Government civilians on Okinawa under Ordinance 126 should be raised to equate the taxes paid by U.S. Forces personnel in Japan. GRI cited as an example that the tax on a U.S.-manufactured vehicle was \$6.67 on Okinawa while the tax rate on the same type of vehicle was \$25 in Japan. The GRI was willing to retain Ordinance 115 in its present form as the tax rates were comparable with those under GRI law.

In committee discussions, it was brought to the attention of the GRI that, in order to reach or approach the level of Japanese taxes prior to reversion, consideration must be given not only to tax ordinances but to the overall Ryukyuan tax structure as it was apparent that many of the GRI tax rates, such as those applying to liquor, cigarettes, and gasoline, would have to be increased. It was further pointed out that preparatory steps would have to be taken prior to reversion for the implementation of legislation covering those taxes now being collected in Japan but not in the Ryukyu Islands, such as the prefectural inhabitants' tax. With this objective, a working subcommittee was appointed to review the entire Ryukyuan tax structure and to work out a program which would further the unification of the GRI and Japanese tax systems. After months of careful deliberations, a comprehensive tax program was developed and subsequently approved by the joint committee. In adopting this tax program, the USCAR committee members clarified that all tax ordinances would be amended as soon as the changes outlined in the subcommittee's tax program were passed by the legislature and implemented by the GRI Executive Branch.

Subsequent events proved that GRI was unable to implement the tax program due to the reluctance of the legislature to pass the proposed legislation. Although the amendment to the petroleum tax law was approved by the legislature, the recommended rate increase of \$10 per kiloliter was reduced to \$7.50 per kiloliter. The legislature also failed to enact the proposed legislation on liquor and cigarette taxes; and, as a result, the integration of the GRI and Japanese tax systems has been postponed until reversion.

Enforcement Activities

Major efforts of the Department of Taxation continued to be directed to enforcement activities which included the auditing of tax returns, suppression of traffic in illicit liquor and tobacco, and control of smuggling.

During the year, indepth audits of those corporate and individual tax returns showing income from a variety of sources or indications of the need for further examination were conducted by a group of senior auditors assigned to the Department of Taxation. Strict enforcement activities in the excise tax area during the year resulted in the uncovering of 87 cases of tobacco and liquor tax law violations. All offenders involved were apprehended and fined a total of \$1,967, along with the confiscation of 605 cartons of cigarettes and 262 bottles of liquor. Seventy-two cases of violations of GRI customs laws (including smuggling and dealings in tax-free merchandise) were also brought to light, involving merchandise valued at \$226,000.

An intensified enforcement program to stamp out the illegal entry of narcotics and other dangerous drugs into the Ryukyu Islands was inaugurated in FY 1971 through the joint efforts of the U.S. military and the GRI. As an initial step, a series of conferences were held by representatives of military investigative units, other U.S. Federal agencies, and the GRI customs to discuss the potential danger of a widespread use of narcotics among the Ryukyuan population and the need for improved and stronger surveillance and investigative measures. Training classes were then set up for 60 GRI customs officers with qualified U.S. military investigators as instructors. These classes covered such subjects as concealment, detection, and identification of drugs and narcotics, together with brief summaries of the drug traffic and enforcement activities in other areas of the Far East. Upon completion of these classes, U.S. military investigators and GRI customs officers participated jointly in actual field investigations. One notable case resulting from these joint efforts was the exposure of narcotics trafficking through the use of GRI postal channels, leading to the subsequent apprehension of four U.S. servicemen and one Ryukyuan.

CHAPTER 12

FINANCIAL DEVELOPMENTS

General

Economic activity continued to show vigorous signs of recovery from the business stagnation which prevailed in FY 1969 and in early FY 1970 stemming from uncertainties over the approaching reversion of the Ryukyu Islands to Japan. The accelerated rise in government expenditures and, particularly, private capital investments, which commenced in FY 1970, again dominated the economic picture and contributed to a 15.8 percent expansion of the Ryukyuan economy in FY 1971. Of significance was the growth of private capital investments, which increased by \$97.7 million (35.3 percent) over the FY 1970 level to \$374.1 million. This was due to a sharp rise in private housing construction brought about by anticipated cost increases after reversion as well as stepped-up foreign capital investments in the petroleum industry. Other business activities, including building construction and inventory investments, also showed substantial gains, although the growth rate fell below the heightened pace of the previous year.

The financial sector has played a vital role not only in the stable expansion of the economy but in the general improvement of the domestic setup to insure a smooth transition to Japanese administration. In early FY 1972, the financial sector itself will complete its reversion preparations, which will include the sale of stocks owned by the U.S. Civil Administration of the Ryukyu Islands (USCAR) in the Bank of the Ryukyus (BOR), transfer of the Ryukyu Development Loan Corporation (RDLC) to the Government of Japan (GOJ), and operational adjustments on the part of Ryukyuan financial institutions to conform with Japanese banking, insurance, and other pertinent laws, as well as the changeover from dollar to yen currency upon reversion.

Flow of Funds and Credit Developments in FY 1971

Credit demand continued at a brisk pace throughout FY 1971. Facility and operational loan balances, owed to financial institutions including RDLC, rapidly built up during the fiscal year to ending balances of \$340 million and \$300 million, respectively, representing increases of 39 percent and 22 percent over a year ago. While the high level of credit demand continued, the cash position of Ryukyuan banks remained highly liquid. The banks' net free reserves expanded by 18.9 percent in FY 1971, from \$49.3 million to \$58.6 million, as customer bank deposits expanded by 32.4 percent to \$534.2 million.

Liquidity of Ryukyuan Commercial and Sogo Banks
(In millions of dollars)

	<u>30 June 1970</u>	<u>30 June 1971</u>
<u>Deposits</u>	<u>\$403.4</u>	<u>\$534.2</u>
<u>Reserves</u>	<u>97.3</u>	<u>120.5</u>
Required	48.0	61.9
Excess	49.3	58.6

Based on calendar year estimates, monthly savings of Ryukyuan households continued to rise and reached a monthly average of \$33.71 in 1970, 11.3 percent higher than the 1969 monthly average of \$30.30. Of this total, approximately 67 percent were channeled into savings accounts with financial institutions or private mutual financing and savings clubs, and 31 percent went to the repayment of debts, as compared with 62 percent and 35 percent, respectively, in 1969.

Monthly Savings Flows by Type of Household, Ryukyu Islands
(Dollars per family per month)

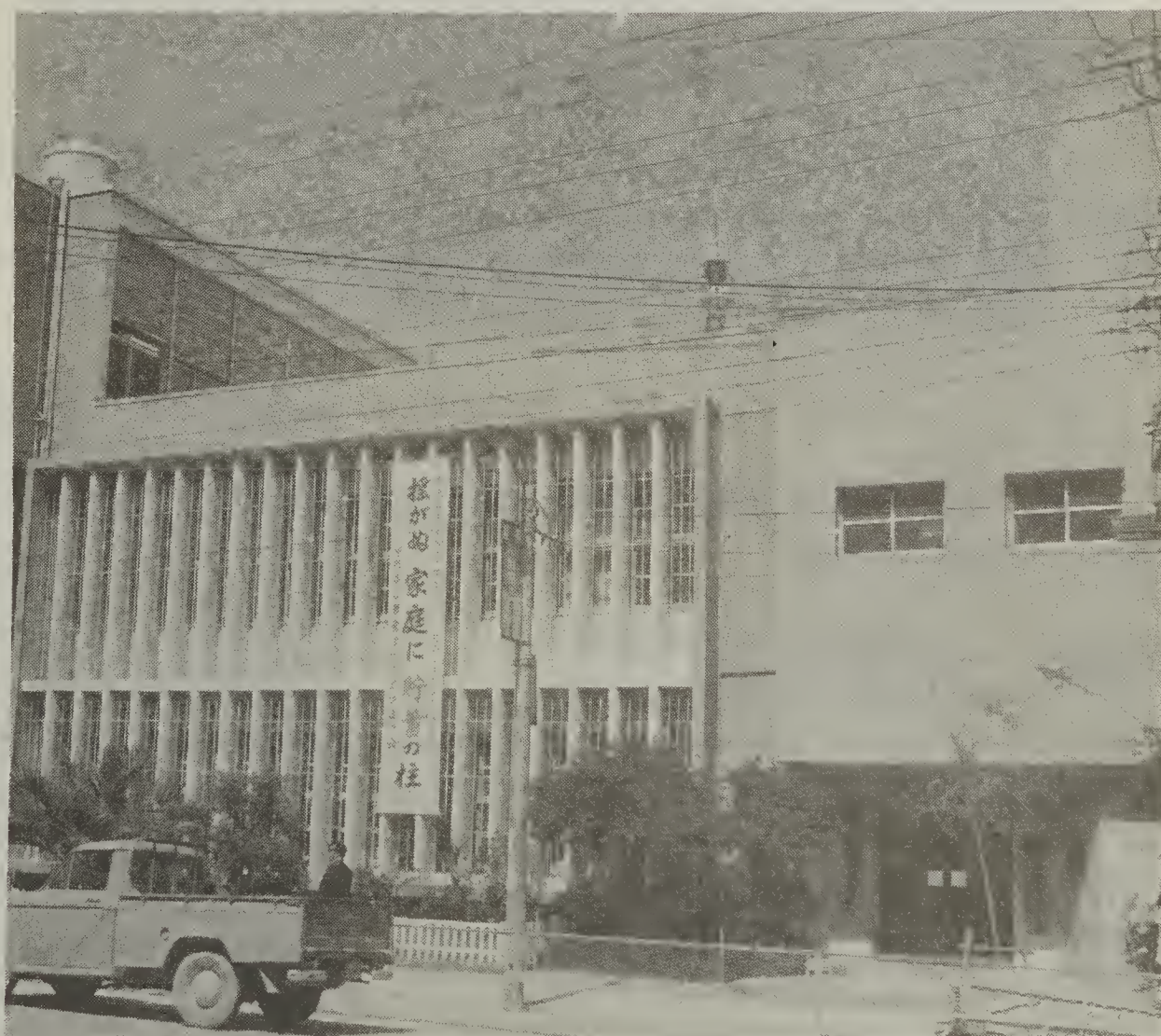
	<u>All House holds</u>	<u>Farm House holds</u>	<u>Nonfarm Households</u>			
			<u>All Non- Farm Households</u>	<u>Self Employed</u>	<u>Manual Worker</u>	<u>Office Worker</u>
<u>TOTAL SAVINGS</u>						
1969	30.30	28.55	30.99	17.32	24.94	63.81
1970	33.71	29.79	35.12	26.04	26.86	63.05
<u>Cash Savings</u>						
1969	18.82	18.69	18.86	11.53	14.88	38.04
1970	22.52	19.41	23.64	18.53	17.09	42.98
of which:						
Mujin Payments						
1969	0.48	0.50	0.47	0.60	0.43	0.37
1970	0.42	0.27	0.47	1.03	0.22	0.20
Moai Payments						
1969	11.32	10.92	11.47	8.38	10.94	17.11
1970	13.35	12.45	13.67	13.84	10.88	18.79
Deposits with Financial Institutions						
1969	7.02	7.27	6.92	2.55	3.51	20.56
1970	8.75	6.69	9.50	3.66	5.99	23.99
<u>Debit Payments</u>						
1969	10.75	9.43	11.28	5.18	9.80	23.31
1970	10.54	10.05	10.72	6.84	8.86	19.47
<u>Sureties</u> ^{1/}						
1969	0.73	0.43	0.85	0.61	0.26	2.46
1970	0.65	0.33	0.76	0.67	0.91	0.60

^{1/} Sureties consist of deposits by individuals for the rental of housing and fidelity bonds with certain classes of employers.



Tomari Branch of the Bank of Okinawa

Central Bank for
Agriculture, Forestry
and Fisheries



During this reporting period, total deposits in banks and other financial institutions swelled from \$590 million to \$807.4 million for a substantial gain of \$217.4 million (36.8 percent). While commercial and sogo banks continued to attract the bulk of deposits, other financial institutions recorded a higher percentage increase of 46.4 percent (\$86.6 million) in deposits in FY 1971. Trust companies, aided by higher interest rates, doubled their deposits from \$40 million to \$79.8 million, while agricultural cooperatives and credit unions expanded their financial assets by 42.9 percent and 35.2 percent, respectively, during FY 1971.

Financial Assets of Private Nonfinancial Sector 1/
(In millions of dollars)

	<u>30 June</u> <u>1970</u>	<u>30 June</u> <u>1971</u>
<u>Total Assets</u>	<u>\$590.0</u>	<u>\$807.4</u>
<u>Deposited with Banks</u>	<u>403.4</u>	<u>534.2</u>
Commercial Banks	307.3	417.6
Sogo Banks <u>2/</u>	96.1	116.6
<u>Deposited with Other</u>		
<u>Financial Intermediaries</u>	<u>186.6</u>	<u>273.2</u>
Trust Companies <u>3/</u>	40.0	79.8
Agricultural Cooperatives	46.9	67.0
Central Bank for Agriculture, Forestry and Fisheries	31.5	39.9
Credit Unions	23.6	31.9
Life Insurance Programs	27.4	31.9
Postal Savings	10.9	14.0
Labor Credit Union	6.3	8.7

1/ Excludes "moai," a private mutual lending arrangement. Although specific totals at given periods of time are not available, Ryukyuan families invested approximately \$14 per month per household in the moai during FY 1971.

2/ Includes "mujin" (oriental lottery-type financing) installments.

3/ Includes the trust departments of the Bank of the Ryukyus and the Bank of Okinawa.

Banks

There are four locally chartered banks in the Ryukyu Islands: two commercial banks and two sogo (mutual finance) banks. The largest of these is the Bank of the Ryukyus, chartered in 1948, with assets as of 30 June 1971 of \$350.6 million, accounting for 51.6 percent of the total assets (\$680 million) of the four banks. The second largest is the Bank of Okinawa, chartered in 1956, with assets of \$197 million at the end of FY 1971; and the other two are the Chuo Sogo Bank and the Nanyo Sogo Bank, with total assets of \$132.4 million. The smaller three banks are

now seriously considering consolidation into one bank, with a target date of 1 October 1971, in order to be on a competitive footing with BOR and other Japanese and foreign banks after reversion.

The locally chartered banks maintain close correspondent relationship with U.S. commercial banks, mainly those in New York and California. Legal reserves of local banks are usually held on deposit with American banks.

Two American banks, the Bank of America and the American Express International Banking Corporation, also operate in the Ryukyu Islands through their Okinawa branches. At the end of FY 1971, assets of these branches totaled \$129.6 million. These American banks clear international commercial transactions of Ryukyuan banks and assist them in making available credit facilities on which they can draw to meet seasonal credit needs and to stabilize reserve positions. The American Express International Banking Corporation also maintains a military banking office which exclusively serves U.S. Forces personnel through its branches on military installations on Okinawa.

Main office of the
Bank of America,
Naha



American Express
Koza Branch Office

Banks' Assets and Liabilities
(In millions of dollars)

	<u>30 June</u> <u>1970</u>	<u>30 June</u> <u>1971</u>
<u>Ryukyuan Commercial and Sogo Banks</u>		
<u>Assets</u>	<u>\$ 530.9</u>	<u>\$ 680.0</u>
Cash and Deposits	107.1	128.7
(Interbank Deposits)	(4.3)	(8.2)
Loans	318.2	411.8
Other Investments	10.9	23.3
Other Assets	94.7	116.2
<u>Liabilities and Net Worth</u>	<u>530.9</u>	<u>680.0</u>
Deposits	403.4	534.2
(Demand)	(177.0)	(235.3)
(Time)	(225.2)	(298.1)
(Mujin)	(1.2)	(0.8)
Borrowings	5.5	-
Reserves	10.5	13.3
Other Liabilities	83.4	99.4
Capital Accounts	18.6	20.8
Current Profits	9.5	12.3
<u>American Banks (Ryukyu Branches)</u>		
<u>Assets</u>	<u>108.3</u>	<u>129.6</u>
Cash and Deposits	20.9	16.6
Due from Head Office and Subsidiaries	24.6	30.6
Loans	50.8	74.2
(Ryukyuan Banks)	(3.6)	(-)
(Others)	(47.2)	(74.2)
Other Investments	2.4	3.5
Other Assets	9.6	4.7
<u>Liabilities and Net Worth</u>	<u>108.3</u>	<u>129.6</u>
Deposits	92.8	116.4
(Ryukyuan Banks)	(28.7)	(40.5)
(Others)	(64.1)	(75.9)
Reserves	-	-
Other Liabilities	15.5	13.2
Due to Head Office	0	0

Bank of the Ryukyus

The Bank of the Ryukyus was established by the U.S. Military Government in May 1948. USCAR has been and is the major stockholder, holding 51 percent or 765,000 shares of the 1,500,000 outstanding shares of common stock (par value \$1). BOR serves as the fiscal agent of the GRI and the municipal governments, and also as the Ryukyuan agent for the U.S. Treasury Currency Custody Account, through which the currency requirements of the local economy are met. BOR has been managed by an all-Ryukyuan board of directors since its establishment.

This reporting period marked the 23d year of BOR's operations. During the year, total BOR assets increased sharply to a new record high of \$350.6 million on 30 June 1971, representing a net increase of \$78.3 million (28.8 percent) over a year ago. Customer deposits also rose to an alltime high of \$257.7 million for a net annual gain of \$59.4 million (30 percent). Total outstanding loans increased by \$48.9 million (30.8 percent) to an ending balance of \$207.7 million, reflecting the strong credit demand during the fiscal year.

Bank of the Ryukyus (In thousands of dollars)

	<u>30 June 1970</u>	<u>30 June 1971</u>
<u>Assets</u>	<u>\$ 272,259</u>	<u>\$ 350,559</u>
Cash and Deposits	54,067	57,726
Loans	158,799	207,676
Other Investments	8,014	15,050
Other Assets	51,379	70,107
 <u>Liabilities and Net Worth</u>	 <u>\$ 272,259</u>	 <u>\$ 350,559</u>
Deposits	198,304	257,705
Other Liabilities	51,795	66,357
Reserves	6,734	7,965
Capital Account	10,625	12,006
Current Profit	4,801	6,526

Net profit for the 1971 business year totaled \$1,561,283, up 2.5 percent over the preceding business year, increasing the bank's net worth to \$12,006,358 as of 31 March 1971. An independent audit of BOR for its business year ending on 31 March 1971 was conducted by the Miyaguni CPA firm, and no major discrepancies were found.

A substantial portion of the local economy's international trade transactions is cleared through BOR. Export bills negotiated by BOR in the 1971 business year totaled \$78.1 million; settled import bills amounted to \$253.0 million, reflecting increases of 7.6 percent and 19.8 percent, respectively, over the previous business year.

BOR carries on its international banking operations through its 95 correspondent banks located in major cities throughout the world (45 in the United States, 17 in Japan, seven in Australia and New Zealand, six in Europe, six in Taiwan, five in Latin America, four in Hong Kong, two in Canada, two in Southeast Asia, and one in the Republic of Korea.

The bank held its annual stockholders' meeting on 4 May 1971, at which time Civil Administrator Robert A. Fearey announced that USCAR's stock holdings would be sold prior to reversion with preference given to Ryukyuan purchasers. The Civil Administrator also revealed that USCAR is negotiating for the professional services of a well-known and reputable securities firm to appraise the stock and to serve as consultant on the stock sale in order to arrive at a fair sales price and, additionally, to assure the Government of Japan, the Government of the Ryukyu Islands, and the Ryukyuan public that the stock price and the method of disposal are fair and equitable. He added that the recommendation made by that firm will be reviewed by qualified authorities, following which the sales plan and prospectus will be reviewed with the GOJ and GRI. The prospectus will then be issued to the public, together with an announcement of the procedures to be followed in the sale.



Bank of
the Ryukyus

Communications
Center, Bank of
the Ryukyus



Ryukyu Development Loan Corporation (RDLC)

RDLC was established as a USCAR instrumentality on 1 October 1959 to accelerate development of productive and essential business activities through the provision of long-term loan assistance. Additionally, RDLC has administered the Agricultural Commodities Agreement under U.S. Public Law 480, Title I, since FY 1963. The management of RDLC is vested in a five-man board of directors, which includes two U.S. directors. Daily business operations are carried out by an all-Ryukyuan staff. RDLC capital has been supplied exclusively by USCAR, which, as of 30 June 1971, amounted to \$27 million.

RDLC began its 12th year of operation with total resources of \$62.4 million* (\$55.7 million, RDLC; \$6.7 million, PL 480) and total outstanding loans of \$48 million* (\$41.6 million, RDLC regular loans; \$6.4 million, PL 480 loans). Loans totaling \$14.7 million (\$14.1 million, regular; \$0.6 million, PL 480) were approved during the year as follows: four loans in the total amount of \$6.9 million for the construction of cargo-passenger and other ships; \$0.8 million for the installation of color-telecasting equipment; \$3 million for financing power facilities on off-shore islands; two loans totaling \$2.5 million for the construction of a medical center and expansion of a department store; eight loans (including one PL 480 loan) totaling \$1.4 million for the expansion of two steel-bar manufacturing plants and an aluminum sash factory, improvement of a textile mill and a meat-processing plant, and installation of equipment to produce nails and new cellophane products; and three PL 480 loans totaling \$0.2 million for the purchase of breeder cattle by a municipality and for the expansion of hog-raising facilities by individual farmers.

Although the total amount of loans approved declined by 2.6 percent from the previous fiscal year, it still represented the third largest annual amount following the \$16.8 million in FY 1966 and \$15.1 million in FY 1970.

No loan was approved in the areas of tourism and fisheries in FY 1971. However, loans approved but not drawn in the previous fiscal year due to delay in project implementation and other reasons were disbursed in these and other areas during this fiscal year. Thus, loan disbursements reached \$9.3 million, an increase of \$7 million over FY 1970 and the highest since FY 1966. No loan guarantees were made in FY 1971. Loan collections and interest during FY 1971 totaled \$8.7 million (\$7.6 million, RDLC regular loans; \$1.1 million, PL 480 loans).

As of 30 June 1971, total RDLC resources stood at \$64.7 million (including \$6.3 million in PL 480 accounts), a rise of \$2.3 million (3.7 percent) over the previous corresponding period. Total outstanding loans amounted to \$51.2 million (including \$6 million PL 480 loans). Cash on hand and in banks (including PL 480) was reduced from \$16.2 million to

*Revised from previous report.

\$15.3 million during the year. Net worth increased from \$51.7 million to \$54.4 million, consisting of \$27 million in capital contributions by USCAR and \$27.4 million in retained earnings.

Ryukyu Development Loan Corporation
(In millions of dollars)

	<u>30 June 1970</u>	<u>30 June 1971</u>
<u>Resources</u>	\$62,402	\$64,715
Capital	27,008	27,008
Retained Earnings	24,674 <u>1/</u>	27,435
PL 480 Proceeds	6,720	6,272
RDLC Bonds	4,000	4,000
 <u>Loans Outstanding</u>	 <u>47,987 <u>2/</u></u>	 <u>51,240</u>
 <u>Guarantees Outstanding</u>	 <u>10,585</u>	 <u>9,373</u>

1/ Adjusted from previously reported figure to include certain accrued income and expenses. FY 1971 figures are comparable.

2/ Revised.

RDLC and PL 480 Loans
(In millions of dollars)

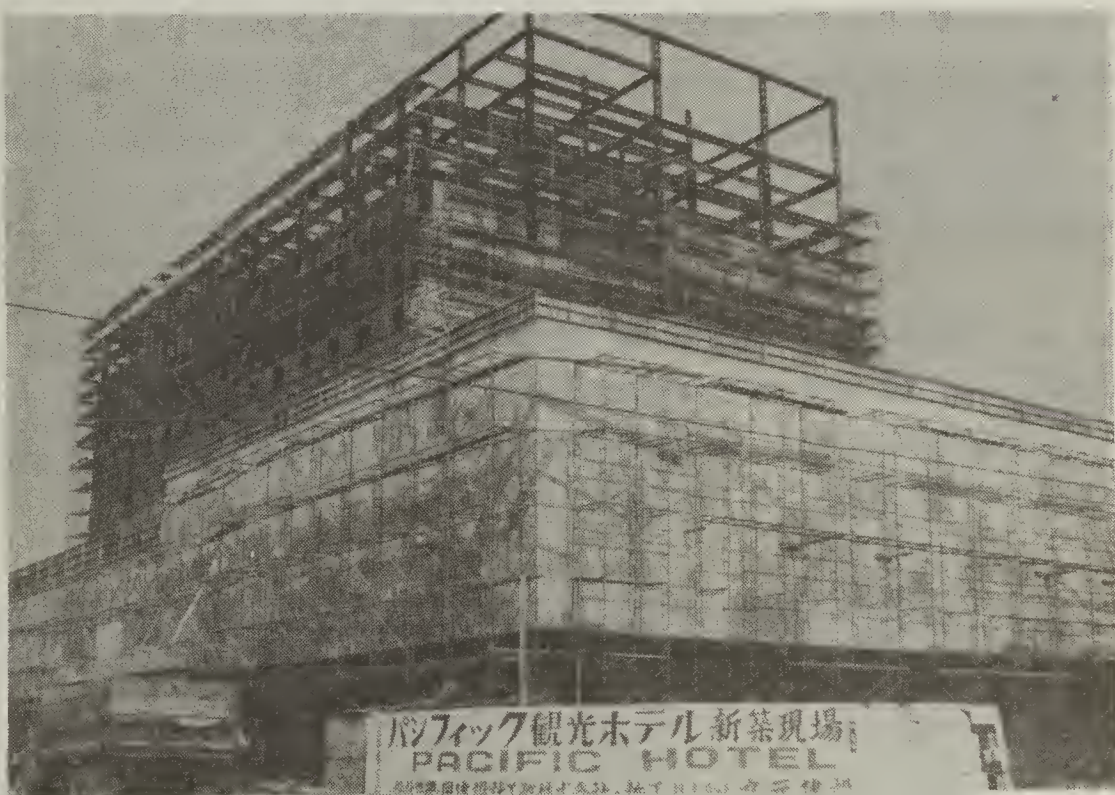
	<u>FY 1970</u>		<u>FY 1971</u>	
	<u>Approved</u>	<u>Disbursed</u>	<u>Approved</u>	<u>Disbursed</u>
TOTAL	<u>\$15.1</u>	<u>\$2.23</u>	<u>\$14.7</u>	<u>\$9.3</u>
Transportation and Communication	1.1	0.5	7.7	1.4
Manufacturing and Processing	5.4	0.5	1.4	4.6
Agriculture and Forestry	0.2	0.03	0.2	0.4
Tourism	5.1	0	0	0.9
Fisheries	0.3	0.4	0	0.3
All Others	3.0	0.8	5.4	1.7

RDLC assets have been included in the U.S.-Japan negotiations for purchase by the GOJ upon reversion.



Tourist hotels under
construction with
financial assistance
from the Ryukyu
Development Loan
Corporation

Ryukyu Tokyu Hotel
(above), Pacific
Kanko Hotel (R)
and Okinawa
Hilton Hotel,
(below)



Central Bank for Agriculture, Forestry and Fisheries (CBAFF)

CBAFF was established by the GRI on 23 December 1952 as a depository and lending agency for agriculture, forestry, and fisheries cooperatives. In addition, CBAFF, on behalf of the GRI, administers the GRI Agriculture and Fisheries Fund (which absorbed the former Sugar, Pineapple, and Fishing Vessel Construction Funds). Ninety-five percent of the capital stock is owned by the GRI and the remaining five percent by the member cooperatives.

Capital augmentation in FY 1971 totaled \$302,000, of which \$250,000 was made by the GRI and \$52,000 by member cooperatives. The capital account of CBAFF stood at \$12.3 million as of the close of FY 1971, which was an increase of 2.5 percent over a year ago. Total loan balance outstanding at the close of the reporting period was \$28.4 million. Its net worth expanded by 3 percent during the period to \$13.8 million. Deposits by member cooperatives rose 26.7 percent during FY 1971, from \$31.5 million to \$39.9 million. In addition to funds from capital and deposits, CBAFF borrows from the GRI Trust Fund Bureau Fund and Industrial Development Special Account. Such borrowings totaled \$1.5 million in FY 1971.

In accordance with a bill passed by the GRI Legislature in June 1971, CBAFF will be reorganized into agricultural and fisheries credit federations as of 1 January 1972 to bring it into alignment with the system existing in Japan.

Central Bank for Agriculture, Forestry and Fisheries (In millions of dollars)

	<u>30 June 1970</u>	<u>30 June 1971</u>
<u>Assets</u>	<u>\$53.4*</u>	<u>\$64.5</u>
Cash and Deposits	22.5	35.0
Loans	30.2	28.4
(Regular)	(25.0)	(23.7)
(Disaster)	(0.3)	(0.1)
(GRI)	(4.9)	(4.6)
Other Assets	0.7*	1.1
<u>Liabilities and Net Worth</u>	<u>\$53.4*</u>	<u>\$64.5</u>
Deposits	31.5	39.9
GRI Funds	5.1*	6.8
GRI Trust Fund Bureau Fund	1.4	1.5
Other Liabilities	2.0*	2.5
Capital and Surplus	13.4*	13.8

*Revised.

People's Finance Corporation (PFC)

Since its establishment in 1955 as a GRI corporation, PFC has provided facility and operational fund loans to smaller business enterprises which may have difficulty in obtaining loans from banks or other commercial lending institutions. Authorized capital is \$7.5 million. As of the end of FY 1971, GRI capital investments totaled \$5.9 million for a gain of 15 percent over the previous year.

PFC also borrows from the GRI Trust Fund Bureau Fund and Industrial Development Special Account and administers the GRI Vessel Construction and Disaster Housing Loan Funds. The total of these funds held by PFC increased by \$3.2 million (53.3 percent) during FY 1971 to a final balance of \$9.2 million.

As reflected in the 30.8 percent increase in the outstanding loan balance, the smaller business segment of the economy, like the larger enterprises, was actively engaged in improving and expanding their facilities and equipment during FY 1971. The capital and surplus accounts swelled to \$6.0 million during this reporting period, an increase of 17.6 percent or \$.9 million over the past year.

People's Finance Corporation (In millions of dollars)

	<u>30 June</u> <u>1970</u>	<u>30 June</u> <u>1971</u>
<u>Assets</u>	<u>\$11.7</u>	<u>\$16.2</u>
Cash and Deposits	0.7	1.8
Loans	10.7	14.0
(Small Business)	(5.8)	(7.6)
(Medium-Size Business)	(2.2)	(3.1)
(Others)	(2.7)	(3.3)
Other Assets	0.3	0.4
<u>Liabilities and Net Worth</u>	<u>\$11.7</u>	<u>\$16.2</u>
GRI Funds	6.0	9.2
(GRI Vessel Construction Fund)	(0 *)	(0 *)
(GRI Disaster Housing Fund)	(0.5)	(1.1)
(GRI Industrial Development Fund)	(1.6)	(4.4)
(GRI Trust Fund Bureau Fund)	(3.9)	(3.7)
Other Liabilities	0.6	1.0
Net Worth	5.1	6.0

*Total less than unit used; rounded to zero.

Insurance

Two life insurance and two casualty insurance companies, chartered in the Ryukyus, serve the Ryukyuan community. They are the Ryukyu Life Insurance Company, the Okinawa Life Insurance Company, the Ryukyu Marine and Fire Insurance Company, and the Kyowa Marine and Fire Insurance Company. U.S. Forces personnel and the non-Ryukyuan populace are served by seven foreign insurance companies maintaining branch offices in the Ryukyus.



Ryukyu Life Insurance Building

The amount of life insurance covered by Ryukyuan companies in the last 5 years has almost tripled, reaching \$211.7 million as of the close of the business year on 31 March 1971. This was an increase of \$33.9 million (19.1 percent) over a year ago. Casualty insurance also continued upward with the total amount in force increasing to \$2.4 billion, a rise of \$216.7 million (10 percent) over the previous corresponding period. Approximately 75 percent of the casualty insurance was in compulsory automobile liability insurance.

Insurance companies invest their reserves in various forms, creating additional sources of credit for the local economy. Total reserves invested as of 31 March 1971 amounted to \$33.3 million, of which \$20.3 million was invested in mortgage loans, \$9.3 million in other loans to business firms and individuals, and \$3.7 million in securities.

Amount Insured by Ryukyuan Insurance Companies
(In millions of dollars)

	<u>31 March 1970</u>	<u>31 March 1971</u>
<u>Total Amount Insured</u>	<u>\$2,376.8</u>	<u>\$2,627.4</u>
<u>Life Insurance</u>	<u>177.8</u>	<u>211.7</u>
<u>Casualty Insurance</u>	<u>2,199.0</u>	<u>2,415.7</u>
Fire	340.1	368.4
Marine	55.3	101.8
Automobile	1,769.0	1,806.1
Other	34.6	139.4

Investment of Insurance Companies
(In millions of dollars)

	<u>31 March 1970</u>	<u>31 March 1971</u>
<u>Life Insurance Companies</u>	<u>\$ 24.0</u>	<u>\$ 29.1</u>
Loans	21.3	26.4
Mortgages (8-10 years)	(13.6)	(17.8)
Policy Loans	(6.0)	(6.5)
Other Loans	(1.7)	(2.1)
Securities	2.7	2.7
Ryukyu Corporate Stock	(1.1)	(1.1)
Foreign Securities	(1.2)	(1.3)
Bonds	(0.4)	(0.3)
<u>Casualty Insurance Companies</u>	<u>3.1</u>	<u>4.2</u>
Loans	2.5	3.2
Mortgages (4-5 years)	(1.9)	(2.5)
Other Loans	(0.5)	(0.7)
Securities	0.6	1.0

Plans are now under way for the consolidation of the two casualty insurance companies, while the Okinawa Life Insurance Company is considering a merger with a Japanese insurance company. The Ryukyu Life Insurance Company, on the other hand, has initiated steps for the opening of branch offices in Japan.

Trust Companies

Trust operations are conducted by four local firms in the Ryukyus: the Ryukyu Trust Company, the Okinawa Trust Company, the Bank of the Ryukyus (Trust Department), and the Bank of Okinawa (Trust Department). The high returns on trust deposits have led to a spectacular rise in customers and deposits in recent years, climbing from a mere \$6 million in June 1967 to \$40 million in FY 1970 and to a new high of \$79.8 million as of 30 June 1971. This meant that trust companies handled almost 10 percent of the total customer deposits in FY 1971.

Trust Company Operations
(In millions of dollars)

	<u>30 June 1970</u>	<u>30 June 1971</u>
<u>Trust Funds</u>	<u>\$ 40.0</u>	<u>\$ 79.8</u>
<u>Investments</u>	<u>33.3</u>	<u>65.2</u>
Loans	29.9	61.8
Mortgages	(21.2)	(38.7)
Secured by Trust Funds	(5.1)	(9.5)
Other	(3.6)	(13.6)
Real Estate	3.4	3.4
Securities	-	-

A realignment of trust operations is now in progress to conform with Japanese law, which permits only banks to accept and administer money trusts. The Ryukyu Trust Company has reached an agreement with its major stockholder, the Bank of the Ryukyus, to transfer its money trust function to the bank while continuing its real estate management operation. No decision has been made by the Okinawa Trust Company concerning its postreversion operation.

CHAPTER 13

PETROLEUM DISTRIBUTION ACTIVITY

The U.S. Civil Administration of the Ryukyu Islands (USCAR) Petroleum Distribution Activity was established in 1951 to insure a continuing supply of petroleum, oil and lubricants (POL) to meet the needs of a rapidly expanding Ryukyuan economy. Over the years, the petroleum activity has provided a variety of POL products to local commercial users, as well as international air and marine carriers, at prices generally below those prevailing elsewhere in the world. It has also supplied petroleum products to the U.S. Forces on an actual cost basis.

In August 1968, the petroleum activity commenced direct procurement of all fuel oil for the Ryukyus, including requirements of the Ryukyu Electric Power Corporation (REPC) and the U.S. Forces which had previously been supplied through military channels. This led to a sharp increase in total sales volume, reaching an alltime high of 400.1 million gallons in FY 1970. Total consumption in FY 1971, however, declined by 9.2 percent to 363.2 million gallons due primarily to reduced sales to military air and marine contract carriers, and to the loss of sales of fuel oil to the U.S. Navy which continued to use Navy Special Fuel Oil (NSFO) when USCAR changed to the supply of Fuel Oil No. 5 (Heavy) in February 1970. Net revenue from POL sales in FY 1971 amounted to \$10.8 million, a 15.6 percent decrease from the \$12.8 million in FY 1970.

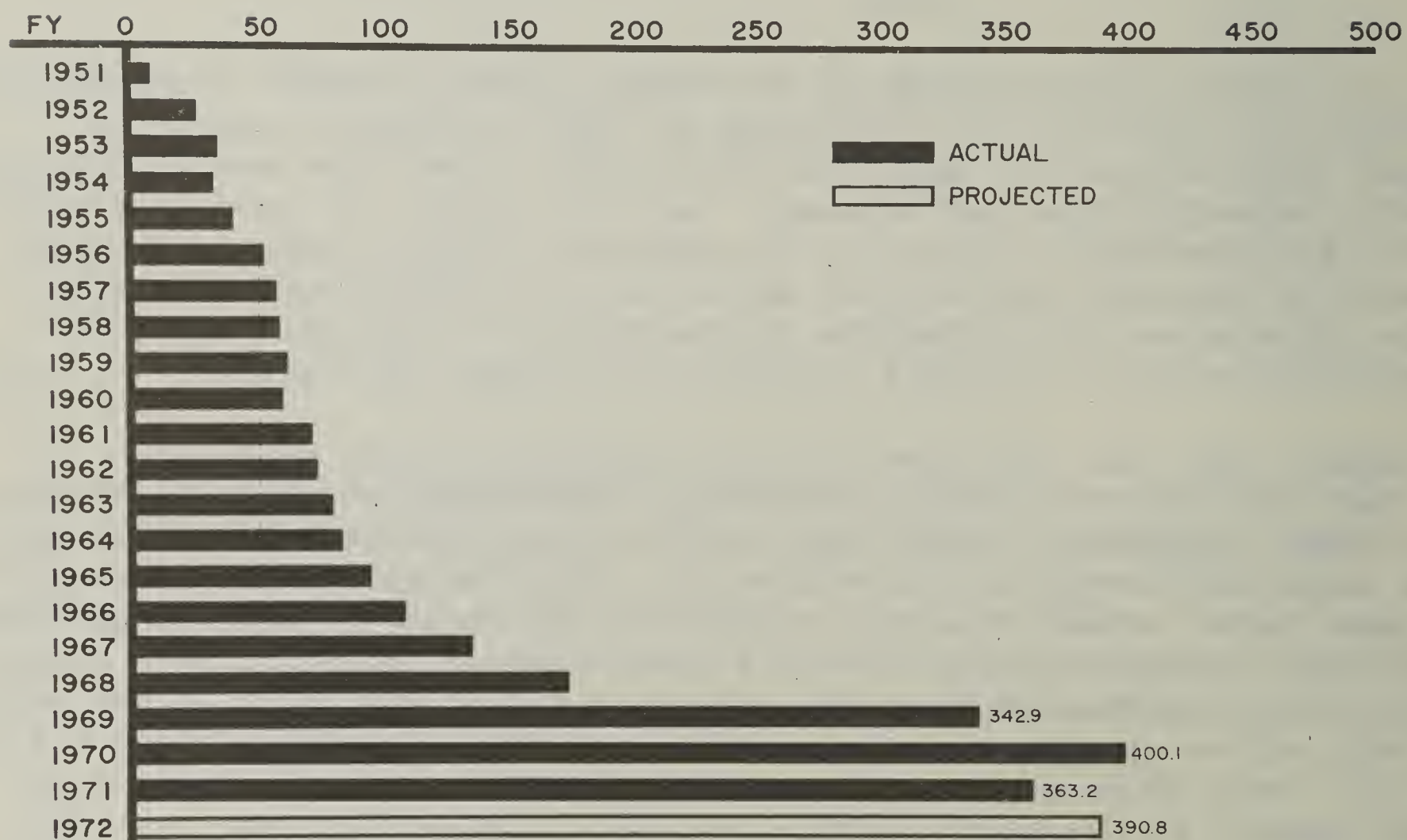
The Petroleum Distribution Fund (PDF), created on 1 July 1958, functions as an accounting entity through which net POL earnings are channeled to the USCAR General Fund. The PDF operates under the POL Branch, Comptroller Department, as a nonappropriated fund, self-supporting entity.

From 1951 through April 1971, the supply of USCAR's POL requirements and operation of its facilities were handled by the California Texas Oil Corporation (Caltex) under a series of contracts awarded on the basis of competitive bids solicited from free world oil companies. Effective 1 May 1971, three 1-year contracts, USCAR 71-N-1-A, B, and C, were awarded as follows: (a) to Caltex for operation of facilities and supply of about 12 percent of the packaged product requirements; (b) to Esso Standard Sekiyu (Okinawa) Limited and; (c) to Shell Sekiyu Kabushiki Kaisha for supply of the remaining packaged products.

Bulk fuels are supplied by Esso Standard Sekiyu (Okinawa) Limited under Contract USCAR 69-N-1. This contract provides for the supply of fuel oil commencing 1 February 1970 and clean fuels effective 1 May 1971. Upon the reversion of the Ryukyu Islands to Japan, that portion of the contract pertaining to REPC's fuel oil requirements will be assigned to REPC, while other arrangements covering fuels for the local economy and military will be terminated.

PETROLEUM DISTRIBUTION FUND

TOTAL POL CONSUMPTION IN MILLIONS OF GALLONS



PETROLEUM DISTRIBUTION FUND

EARNINGS FROM POL SALES (IN MILLIONS OF DOLLARS)

<u>FISCAL YEAR</u>	<u>TOTAL SALES</u>	<u>TOTAL EARNINGS</u>	<u>AMOUNT PAID TO GRI</u>
1951-1958	\$ 38.3	\$ 9.1	\$ 5.8
1959	8.1	2.2	1.4
1960	8.3	2.0	1.5
1961	9.7	3.5	1.9
1962	10.0	5.1	2.4
1963	10.5	5.7	2.6
1964	11.9	6.3	2.7
1965	13.8	6.5	2.8
1966	15.2	7.1	3.0
1967	18.8	8.6	3.3
1968	23.3	9.8	3.5
1969	34.9	12.1	0
1970	37.8	12.8	0
1971	33.5	10.8	0
1972 (EST.)	35.3	11.5	0

Pursuant to Contract USCAR 69-N-1, Esso commenced the construction of a refinery at Nishihara, on the east coast (Nakagusuku Bay area) of Okinawa, which will be capable of producing 80,000 barrels per day and supplying all of the products called for in the contract. The completion of this refinery is scheduled for January 1972, and production is expected to begin by February 1972.

Esso's facilities include a fuel oil pipeline to the Machinato Power Plant which will intersect with the existing north-south military pipeline in the Machinato area. A spur line connects the Chatan Power Plant to one military line which was converted to fuel oil service in early 1970. This will provide capability for delivery of fuel oil to the Machinato and Chatan Power Plants and to the USCAR fuel oil terminal by pipeline. In addition, a clean products line will connect with a clean military line in the same area for delivery of jet fuel to the Naha Clean Oil Terminal and to Kue No. 2 Tank Farm, and for delivery of other clean fuels to U.S. Army storage. Other facilities to be constructed at the refinery will include tank truck loading racks and marine delivery facilities for loading small tankers and barges. Additional marine facilities under construction will have the capability of handling super tankers of 200,000 tons or larger.

Upon completion of Esso's bulk storage and handling facilities (target date is 1 January 1972), the loading of bulk products for the local economy will transfer to the Esso site, and USCAR's bulk storage will become largely excess. Under current plans, storage excess to USCAR's needs will be made available for military use.



An overall view of Esso's processing units at Nishihara

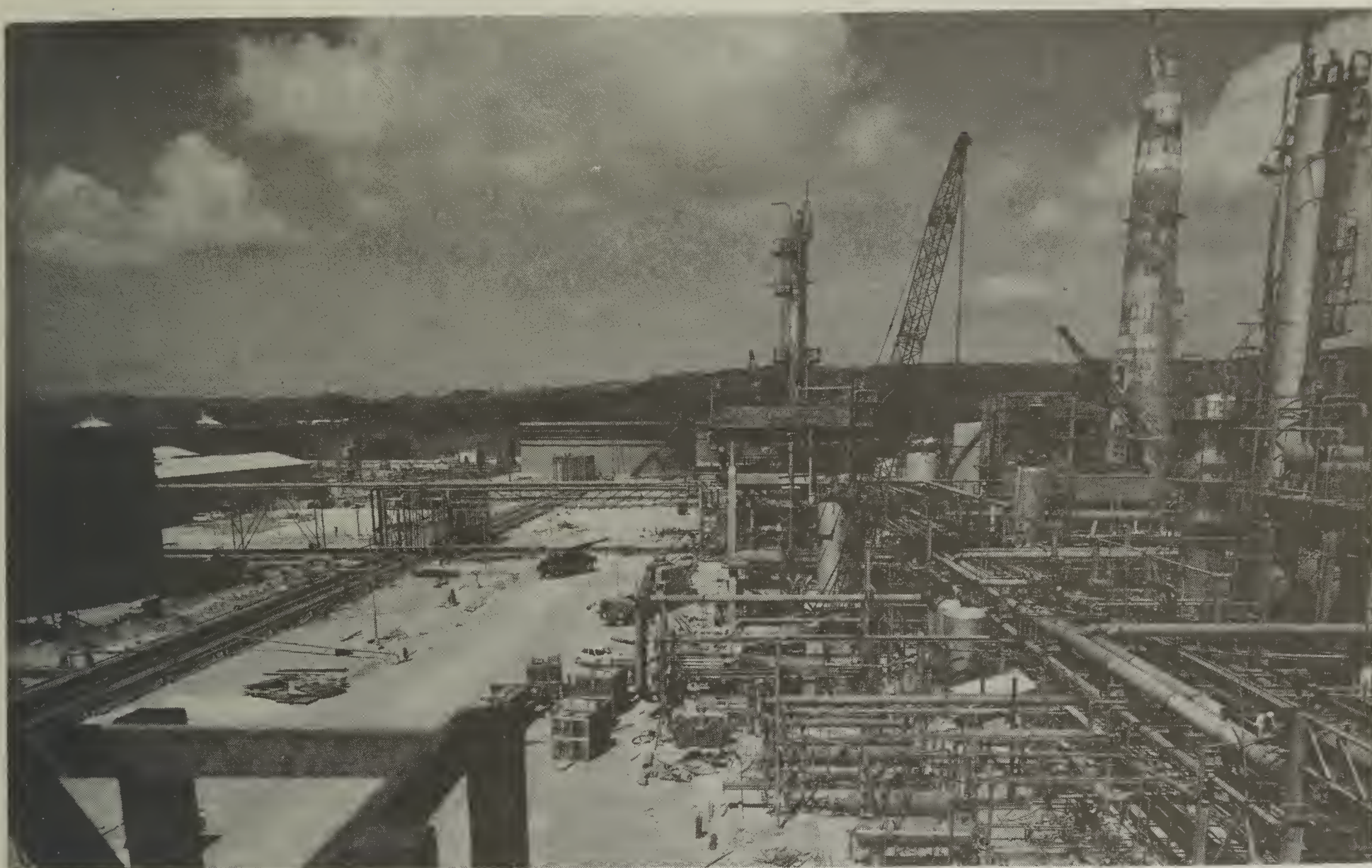
ESSO OIL REFINERY



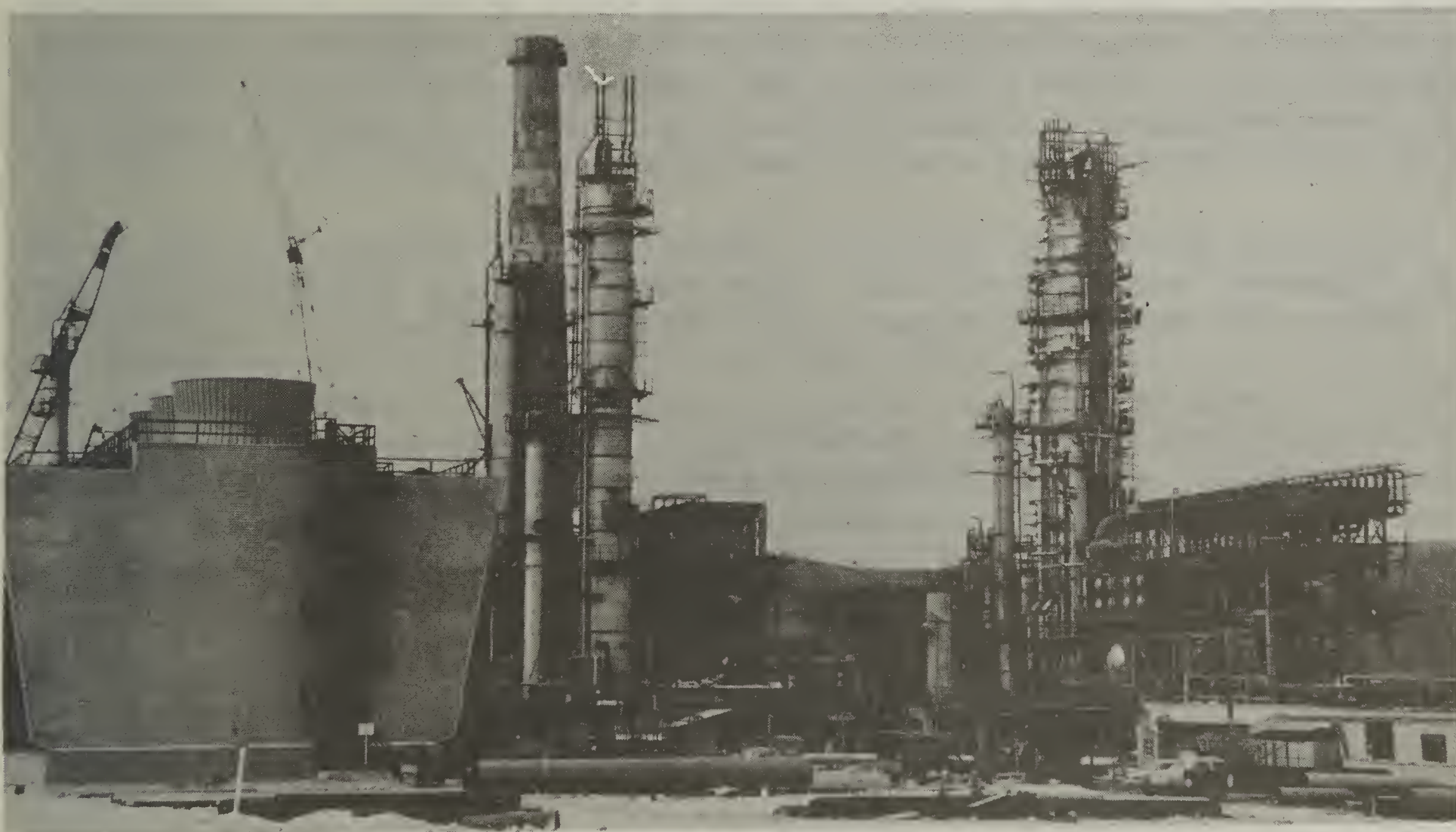
Steam generation plant, with process furnace area behind, and
mechanical services building at right



Crude oil distillation units on the left, with capacity of
80,000 barrels per day



Powerformer (gasoline manufacturing) section of process area, with tankage for various products at left and rear



Cooling tower (L) cools sea water and circulates to various parts of the refinery

Investment in USCAR-owned petroleum facilities totaled approximately \$3.3 million at the end of FY 1971, including capital investment of \$77,600 during FY 1971. Major POL facilities and equipment on hand as of 30 June 1971 included the following:

a. Naha Clean Oil Terminal: 450,000 barrels of storage (11 tanks), five warehouses, two residences, office building, pipelines to Naha Port for receiving and delivering products, in-terminal dispensing facilities, laboratory, firefighting facilities, automotive repair shop, and an auxiliary power plant. The USCAR pipeline system is connected with the military system for greater flexibility, for support of the U.S. Forces, and for supplying jet fuel to Military Airlift Command (MAC) aircraft at Kadena Air Base.

b. Black Oil Terminal: 240,000 barrels of storage (three tanks), office building, two pumphouses, pipelines to Naha Port and to the military pipeline for receiving and delivering products, marine diesel oil blending facility, truck fill stand, and an auxiliary power plant.

c. Naha Airport Refueling Station, Naha Civil Air Terminal: office building, five refueling vehicles, and other necessary equipment for servicing both jet and conventional aircraft on a 24-hour-a-day basis. A pipeline, completed during FY 1971, connects this facility to the Clean Oil Terminal for supply of jet fuel.

d. Kadena Aircraft Refueling Station, Kadena Air Base: two bulk tanks with total storage capacity of 8,000 barrels, top and bottom refueler loading facilities, vehicle parking area, and five refuelers for servicing MAC aircraft calling at Kadena Air Base. A pipeline connects this facility to 60,000 barrels of jet fuel storage at Kue No. 2 Army Tank Farm, adjacent to Kadena Air Base. Kue No. 2 is, in turn, connected to the Clean Oil Terminal via the Army pipeline system.

e. Major Automotive Equipment: 10 aircraft refuelers, one tank truck, and 10 general purpose vehicles. Three refuelers were disposed of during FY 1971 on the basis that repair would not be economical.

Action has been initiated to transfer ownership of all USCAR petroleum facilities to the U.S. Army, Ryukyu Islands (USARYIS), at or before reversion. Moreover, with the gradual phasedown of USCAR functions, the supervisory responsibility for the operation of the USCAR Petroleum Activity, including its facilities, will be transferred to Headquarters USARYIS sometime during FY 1972.

CHAPTER 14

PUBLIC UTILITIES

RYUKYU ELECTRIC POWER CORPORATION

General

The electric power industry on Okinawa has matured and expanded from the "brownout" days of just a few short years ago. Large generating units built since 1965 have enabled island authorities to look forward to an era of assured power and industrial growth which is dependent upon that power.

The largest single producer of electric power in the Ryukyu Islands is the Ryukyu Electric Power Corporation (REPC), an instrumentality of the U.S. Civil Administration of the Ryukyu Islands (USCAR). Established by Civil Administration Ordinance No. 129 of 26 February 1954, REPC's mission is to acquire, maintain, and operate electric power systems in the Ryukyu Islands in order to generate, transmit, distribute, and sell electrical energy for the use and benefit of the Ryukyuan people. REPC functions primarily as a wholesale supplier of electric power and sells power, at wholesale rates established by the Civil Administrator, to the military service, industry, and five Ryukyuan power distribution companies (Okinawa, Matsuoka, Chuo, Hijagawa, and Nago). The five distribution companies own and operate facilities to provide power at retail rates to the civilian populace in the central and southern areas of Okinawa. In the sparsely populated northern area of Okinawa, REPC functions both as producer and retail distributor of electric power. REPC presently retails power on 13 offshore islands in the Ryukyus and will soon serve more.

On 30 June 1971, the total rated capacity of the REPC system on Okinawa was 417,600 kilowatts, an increase of 34,000 kilowatts over the last corresponding period. The power generation components of the REPC system on Okinawa are identified in the following table:

<u>Generating Facilities</u>	<u>Nominal Rated Capacity (kilowatts)</u>	<u>Ownership</u>
TOTAL	<u>417,600</u>	
Kin Power Plant	88,000	REPC
Machinato Power Plant (#1-#4)	46,000	REPC
Machinato Power Plant (#5-#6)	170,000	REPC
Chatan Power Plant	33,000	REPC
Impedance Power Barge	30,000	U.S. Army
FM Diesel Power Plants	21,600	REPC
Gusukuma Gas Turbine Plant	29,000	REPC

The highest peak demand recorded by REPC in FY 1971 was 349,850 kilowatts on 29 June 1971, representing a 12.9 percent increase (39,850 kilowatts) over the FY 1970 peak demand of 310,000 kilowatts.

Electric power consumption on Okinawa has shown a remarkable growth of 63.4 percent in the last 5 years, with sales to the civilian economy doubling during this period to reflect the boom in housing and office building construction and increased use of electrical equipment and appliances.

Electrical Energy Sales - REPC
(In million kilowatt-hours)

<u>FY</u>	<u>Military Service</u>	<u>Increase (%)</u>	<u>Civilian Economy</u>	<u>Increase (%)</u>	<u>Total Sales</u>	<u>Increase (%)</u>
1967	510	-	451	-	961	-
1968	525	2.94	546	21.06	1,071	11.45
1969	567	8.00	638	16.85	1,205	12.51
1970	610	7.58	782	22.57	1,392	15.52
1971	660	8.20	910	16.37	1,570	12.79

Retail power sales to customers on the 13 offshore islands totaled 3 million kilowatt-hours in FY 1971.

Construction

The rising demand for electrical energy has been met by REPC through a vigorous, accelerated construction program involving a large number of projects, from multimillion-dollar plants to individually small, but numerous transmission and distribution facilities. The completion of these modern facilities and the expansion of the REPC power system have made possible a 4.5 percent reduction in REPC's wholesale rates, effective 1 July 1970. This was the fourth time in its relatively short history that REPC has been able to effect such rate reductions.

Major construction projects completed or in progress during FY 1971 were as follows:

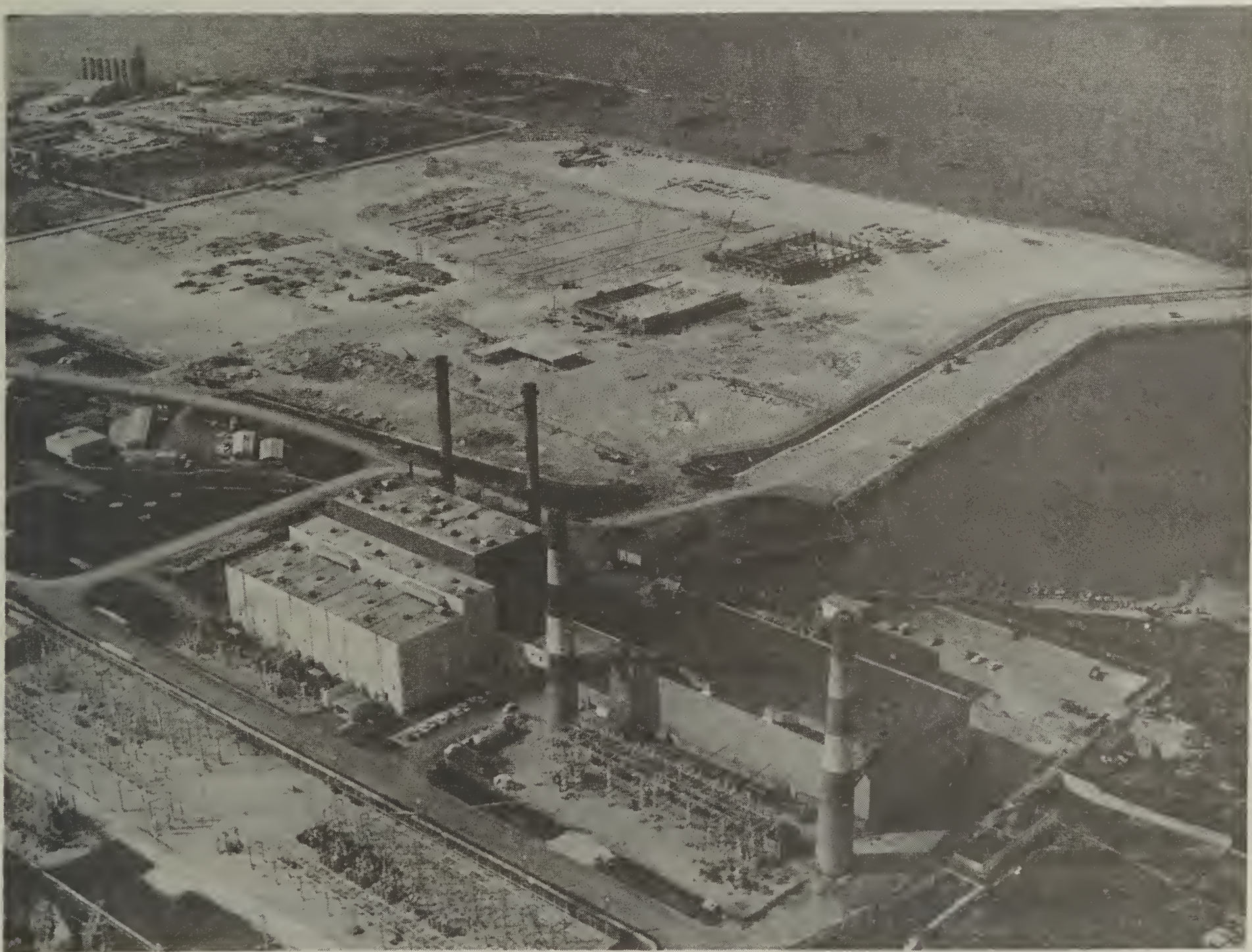
a. Projects Completed:

(1) The second 85,000-kilowatt unit of the new Machinato Power Plant was completed and accepted for commercial operation in August 1970. This made possible the retirement of older and less efficient generation equipment while increasing the system's generating capacity to 417,600 kilowatts.

(2) Land reclamation and pier renovation at Machinato, the site of REPC's new administrative complex, was completed in August 1970 at a cost of \$1,016,742.



Ground-breaking ceremony to initiate construction of REPC's headquarters building (above); site of the new REPC administrative and logistical complex (below)





Newly completed 138-kilovolt transmission line in southern Okinawa

(3) The 138-kilovolt transmission line from the Machinato Power Plant to the Nishihara Switching Station, then north to Toguchi and south to Yonabaru, was completed in October 1970 at a cost of \$3,954,261. This strengthened REPC's capability of providing reliable power to the developing industrial areas on the east coast of central Okinawa.

(4) Conversion of the 69-kilovolt overhead line to underground cable between Naha Substation and the Impedance Switching Station was completed in March 1971 at a cost of \$159,928.

(5) Conductor replacement on the 69-kilovolt line between Naha and Uema was completed in March 1971 at a cost of \$298,413.

(6) Installation of an additional 13.8-kilovolt cable to the White Beach underground line was completed in April 1971 at a cost of \$1,875.

(7) Reconductoring of the Uema to Takunan 13.8-kilovolt line was completed in April 1971 at a cost of \$31,914.

(8) Improvement of water supply facilities at the Izena Power Plant was completed in April 1971 at a cost of \$3,681.

(9) Installation of an outdoor fire hydrant system at Chatan Power Plant was completed in May 1971 at a cost of \$9,671.

(10) Installation of a 69-kilovolt cable from Naha to Okinawa Power Distribution Company's (OPDC) new substation at Higashi-machi was completed in May 1971 at a cost of \$124,387.

(11) A deaerator platform at Kin Power Plant was completed in June 1971 at a cost of \$2,967.

(12) Extension of a 13.8-kilovolt line to Ryukyu Domestic Water Corporation's (RDWC) Fukuji Dam pump station was completed in June 1971 at a cost of \$28,905.

(13) Installation of a 13.8-kilovolt reclosure to improve the reliability of the distribution system was completed in June 1971 at a cost of \$14,598.

(14) Various small projects for additions, replacements, and improvements involving distribution plants were completed by June 1971 at a total cost of \$121,462.

(15) Electrification of offshore islands:

(a) The electrical power-generating and distribution facilities on Kumejima were purchased by REPC on 1 June 1971 at a cost of \$113,783.

(b) The power systems on the islands of Hamahiga, Miyagi, and Ikei were acquired by REPC in April 1971 at a total cost of \$5,930. Installation of a submarine cable linking Henza-Hamahiga and Henza-Miyagi was completed in June 1971 at a cost of \$103,384.

b. Projects Under Construction:

(1) A contract was awarded on 14 May 1971 for the construction of REPC's new general office facilities at Machinato. The programmed amount for this project is \$3,200,000, and completion is scheduled for September 1972.

(2) A contract was awarded on 28 June 1971 for the construction of a new 85,000-kilowatt generating unit at Machinato (Unit No. 7). This project is scheduled for completion in May 1973. The programmed amount for this construction is \$13,000,000.

(3) Extension of a 13.8-kilovolt line from Kubasaki to OPDC's Nakagusuku Substation and to an RDWC pumphouse is scheduled for completion in July 1971 at a cost of \$37,408.

(4) Capacitor bank installation at various locations is scheduled for completion in August 1971 at a cost of \$97,557.

(5) Installation of a new 138-kilovolt transmission line from the Nishihara Switching Station to the Onaha Substation was commenced in

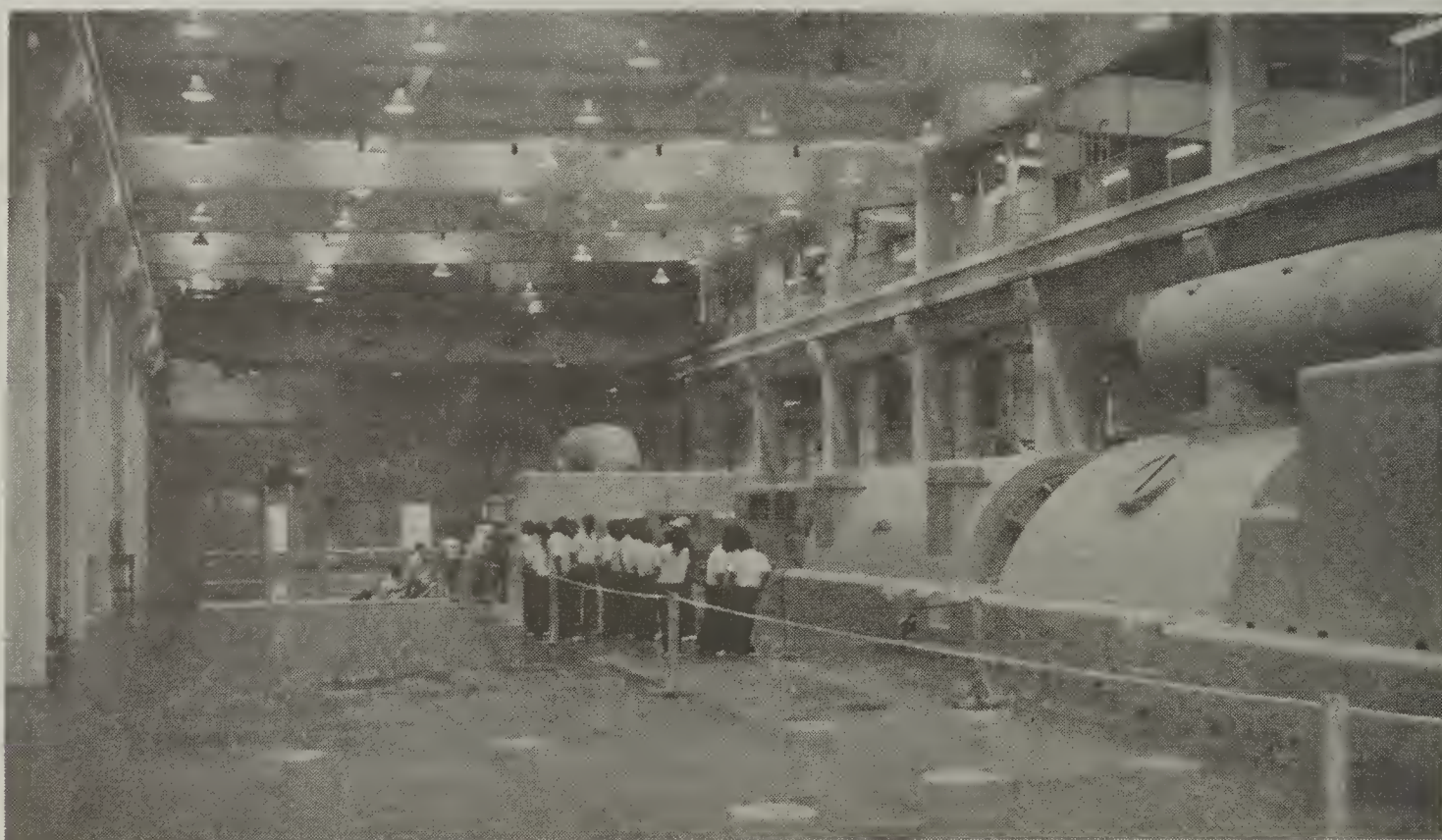
April 1971. Total estimated cost is \$220,755, with completion scheduled for August 1971.

(6) Installation of new terminal facilities at Nishihara in conjunction with the above project was started in April 1971 at an estimated cost of \$32,458. Completion is set for October 1971.

(7) Construction of the new 138/13.8-kilovolt Onaha Substation was commenced in April 1971. The current working estimate is \$303,370, and completion is scheduled for October 1971.

(8) Installation of 13.8-kilovolt main breakers at Kin Power Plant is scheduled for completion in November 1971 at a cost of \$60,599.

(9) Installation of microwave equipment at the Naha Substation and telemetering and supervisory control equipment at Naha, Kadena, and Nakanomachi Substations and at the Chatan Power Plant is scheduled to be completed in December 1971. The programmed amount for these projects is \$225,070.



Students tour the new Machinato Power Plant

Offshore Islands' Electrification and Reduction of Power Rates

In July 1968, REPC, at the request of the local residents, extended its retail power service to the offshore island of Ie-Shima. Application of the new REPC retail power rate schedule reduced the cost of electricity to the Ie-Shima inhabitants by 42.5 percent. This generated requests from other offshore islands for REPC to acquire and operate their power systems. By the end of FY 1969, REPC had extended its retail power service to Iheya, Izena, and Noho Islands and, in FY 1970, to the islands of Tokashiki, Zamami, Aka, Keruma, and Henza. The islands of Hamahiga, Miyagi, Kume, and Ikei were added in April, May, and June 1971, making

a total of 13 offshore islands presently being served by REPC. In each case, the municipality sought and obtained approval from the Government of the Ryukyu Islands (GRI) to transfer the municipal-owned power facilities to REPC. REPC applies retail power rates approved by the Civil Administrator and consistent with retail rates on Okinawa. The following table shows the rates for residential customers before and after the transfer of power facilities and operations to REPC (based on consumption of 50 kilowatt-hours per month):

<u>Islands</u>	<u>Costs Under Municipal Operation</u>	<u>Costs Under REPC Operation</u>	<u>Percent of Reduction</u>	<u>Date of REPC Operation</u>
Ie	4.00	2.30	42.5	1 Jul 68
Iheya	4.00	2.30	42.5	1 Mar 69
Izena	5.40	2.30	57.4	1 Mar 69
Noho	4.00	2.30	42.5	1 Mar 69
Tokashiki	4.00	2.30	42.5	1 Jan 70
Zamami	3.50	2.30	34.3	1 Jan 70
Aka	3.50	2.30	34.3	1 Jan 70
Keruma	3.50	2.30	34.3	1 Jan 70
Henza	4.00	2.30	42.5	5 Jun 70
Hamahiga	flat sale	2.30	-	1 Apr 71
Miyagi	4.00	2.30	42.5	1 May 71
Kume	5.28	2.30	56.4	1 Jun 71
Ikei	4.00	2.30	42.5	11 Jun 71



Central load dispatch office for REPC's generating and transmission system

The present status of electric power service on 34 of the larger offshore islands is shown below:

Status of Offshore Islands' Electric Power

<u>Island</u>	<u>Hours of Service</u>	<u>Franchised Distributor</u>
Aguni*	6 hrs/day	Aguni-son
Aka	24 hrs/day	REPC
Hamahiga	24 hrs/day	REPC
Hateruma*	10 hrs/day	Taketomi-cho
Hatoma*	4 hrs/day	None (Taketomi-cho)
Henza	24 hrs/day	REPC
Ie	24 hrs/day	REPC
Iheya	24 hrs/day	REPC
Ikei	24 hrs/day	REPC
Ikema	5 hrs/day	Ikema Fishery Coop. (Miyako Power Company)
Irabu	24 hrs/day	Miyako Power Company
Iriomote*	6 hrs/day	Taketomi-cho
Ishigaki	24 hrs/day	Yaeyama Power Company
Izena	24 hrs/day	REPC
Keruma	24 hrs/day	REPC
Kita Daito*	12 hrs/day	Kita Daito Agricultural Coop.
Kobama*	10 hrs/day	Taketomi-cho
Kouri*	6 hrs/day	Nakijin-son
Kudaka*	6 hrs/day	Chinen-son
Kume	24 hrs/day	REPC
Kurima	24 hrs/day	Miyako Power Company
Kuroshima	10 hrs/day	Taketomi-cho
Minami Daito*	24 hrs/day	Minami Daito-son
Miyagi	24 hrs/day	REPC
Miyako*	24 hrs/day	Miyako Power Company
Noho	24 hrs/day	REPC
Sesoko	24 hrs/day	Nago Power Company
Taketomi*	10 hrs/day	Taketomi-cho
Tarama*	17 hrs/day	Tarama-son
Tokashiki	24 hrs/day	REPC
Tonaki*	5 hrs/day	Tonaki-son
Tsuken*	6 hrs/day	Katsuren-son
Yonaguni*	12 hrs/day	Yonaguni-cho
Zamami	24 hrs/day	REPC

*Municipality has petitioned GRI for REPC to take over power system.

RYUKYU DOMESTIC WATER CORPORATION

General

The Ryukyu Domestic Water Corporation was established on 4 September 1958 by High Commissioner Ordinance Number 8 as a USCAR instrumentality for the purpose of providing safe and adequate water for the use and

benefit of the Ryukyuan people and for the industrial development of the Ryukyu Islands. To accomplish its objectives, RDWC is empowered to: (1) produce, purchase, distribute, and sell water to public and private consumers at rates approved by the Civil Administrator of the Ryukyu Islands; (2) acquire, maintain, and operate domestic water-producing properties and facilities in the Ryukyus for the collection, treatment, transmission, distribution, and sale of water; (3) acquire and/or construct dams, pump stations, treatment plants, transmission lines, and incidental works, including storage facilities.

The Integrated Island Water System (IIWS), the main source of potable water for the people of Okinawa, consists of facilities owned by the United States Army, Ryukyu Islands (USARYIS), and RDWC. Under an operational agreement between USARYIS and RDWC, USARYIS operates and maintains the IIWS and furnishes RDWC the amount of water needed to satisfy the requirements of local municipalities and other consumers.



RDWC's new office building

Organization and Employees

RDWC is organized into three departments and seven divisions, with a total staff of 124 as of 30 June 1971. Of this total, 62 RDWC employees, including three Americans, have been placed under the direct supervision of the Island Water Division, Facilities Engineer, USARYIS, for support of IIWS operations in accordance with an agreement between USARYIS and RDWC. These employees include the Deputy Chief of the Island Water Division, a waterworks engineer, chemists, pump station operators, instrument repairers, and dam tenders.

Water Sales

Treated water sales by RDWC during FY 1971 to 19 municipalities, the Southern District Eastern Sector Waterworks Association (consisting of four municipalities), and 32 retail customers increased by 24.1 percent over the previous year and reached 11.06 billion gallons. Raw water sales, on the other hand, declined slightly by 2.2 percent to 1.11 billion gallons.

Water Sales (In thousands of gallons)

<u>Treated Water</u>	<u>FY 1971</u>
Municipalities:	
Naha	4,544,042
Koza	1,491,344
Ginowan	1,188,802
Urasoe	1,130,555
Misato	463,460
Gushikawa	417,817
Yomitan	300,467
Kadena	209,843
Chatan	227,241
Kitanakagusuku	192,799
Yonagusuku	60,333
Nishihara	59,569
Ishikawa	145,516
Tomigusuku	78,066
Nakagusuku	84,154
Yonabaru	89,856
Katsuren	7,154
Itoman	47,168
Sashiki	9,568
Southern District Eastern Sector Waterworks Association	<u>168,942</u>
Subtotal	10,916,696
Commercial and Residential Customers	<u>146,164</u>
Total Treated Water Sold	<u><u>11,062,860</u></u>
<u>Raw Water</u>	
Municipalities:	
Naha	1,079,438
Ginoza	994
Others	<u>32,127</u>
Total Raw Water Sold	<u><u>1,112,559</u></u>

RDWC Water Rates

The Ryukyu Domestic Water Corporation purchases water from USARYIS at cost and sells it to local municipalities and a small number of individual consumers at prices that produce enough income for a reasonable amount of replacements, additions, and improvements to the system.

Treated Water

Purchase from IIWS	\$0.1286 per 1,000 gallons
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Wholesale to Municipalities	\$0.2194 per 1,000 gallons
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Retail

a. Individual Consumers	\$2.00 for 5,000 gallons (minimum charge)
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Excess Charge	\$0.38 per 1,000 gallons up to 100,000 gallons
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	\$0.36 per 1,000 gallons up to 500,000 gallons
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	\$0.30 per 1,000 gallons over 500,000 gallons
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b. Housing or Organization	\$0.35 per 1,000 gallons
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Raw Water

Purchase from IIWS	\$0.0396 per 1,000 gallons
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Wholesale to Municipalities and Others	\$0.08 per 1,000 gallons
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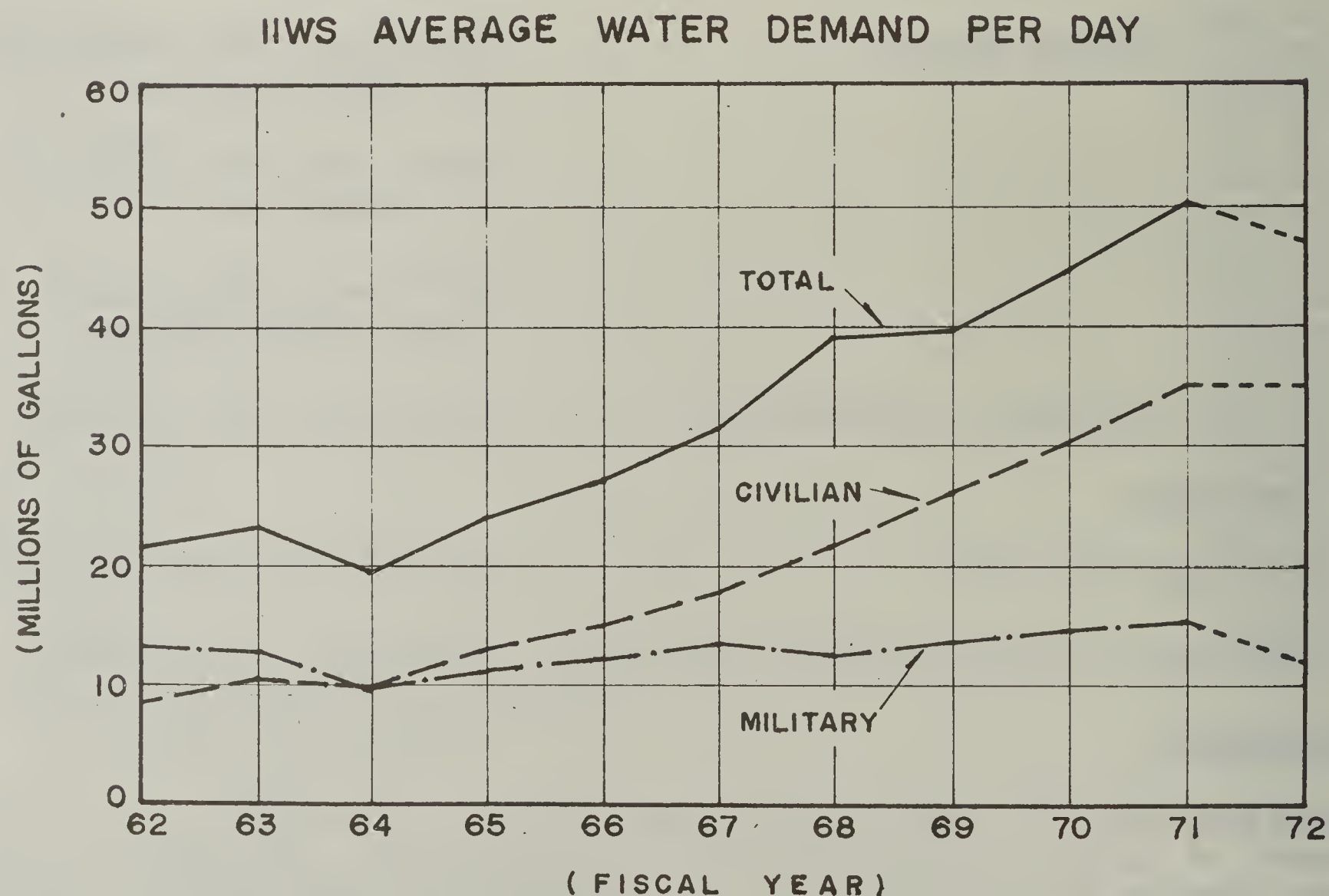
Water Demand

In parallel with the rapidly developing industry and economy, the rising standard of living, and modernization of agriculture, the demand for water in Okinawa has accelerated yearly and has more than doubled in the last decade. During FY 1971, the average water demand was 50.3 million gallons per day, which represented an increase of 12.5 percent over that of the previous year. The average water demand by civilian communities rose 16.3 percent, while water consumed by the U.S. military showed an increase of 4.8 percent.

The maximum water demand in FY 1971 reached 60 million gallons per day, as compared with 55 million gallons during FY 1970. With the anticipated continuing growth of water demand in Okinawa in the future, the expansion of water storage, treatment, and transmission facilities will be necessary to meet this ever-increasing requirement.

The following table shows the trend of water demand by the civilian communities and the U.S. Forces during the past 10 years:

<u>Daily Average Water Demand</u> (In million gallons)			
<u>FY</u>	<u>Military</u>	<u>Civilian</u>	<u>Total</u>
1962	13.1	8.4	21.5
1963	12.8	10.4	23.2
1964	9.5	9.8	19.3
1965	11.1	12.9	24.0
1966	12.2	15.0	27.2
1967	13.4	17.9	31.3
1968	12.3	21.7	34.0
1969	13.6	26.1	39.7
1970	14.6	30.1	44.7
1971	15.7	35.0	50.3



Construction

The following major construction projects were completed by RDWC during FY 1971 at a total cost of \$1,405,643:

- a. RDWC Office Building, July 1970, \$589,249.
- b. 2-Million-Gallon (MG) Yokatsu Tank, January 1971, \$180,640.
- c. 10-MG Uema Tank No. 2, March 1971, \$371,502.

d. Zukeyama Reservoir to Jaku Booster Pump Station Pipeline, May 1971, \$80,438.

e. 1.5-MG Tengan Clear Well, June 1971, \$148,833.

f. Treated Water Distribution System at Tengan Village, Gushikawa City, June 1971, \$17,181.

g. Treated Water Distribution System at Taba Village, Gushikawa City, June 1971, \$17,800.

Principal water facilities under construction as of 30 June 1971 were as follows (percent of completion in parenthesis):

a. Fukuji Dam and Reservoir (Phase II), (33%).

b. Well Development (Stage IV) (40%).

c. Okuma Booster Pump Station (15%).

d. Temporary Toguchi Booster Pump Station (99%).

e. Remote Control System for Well Pumps at Kadena, Kinser, and Tengan (84%).

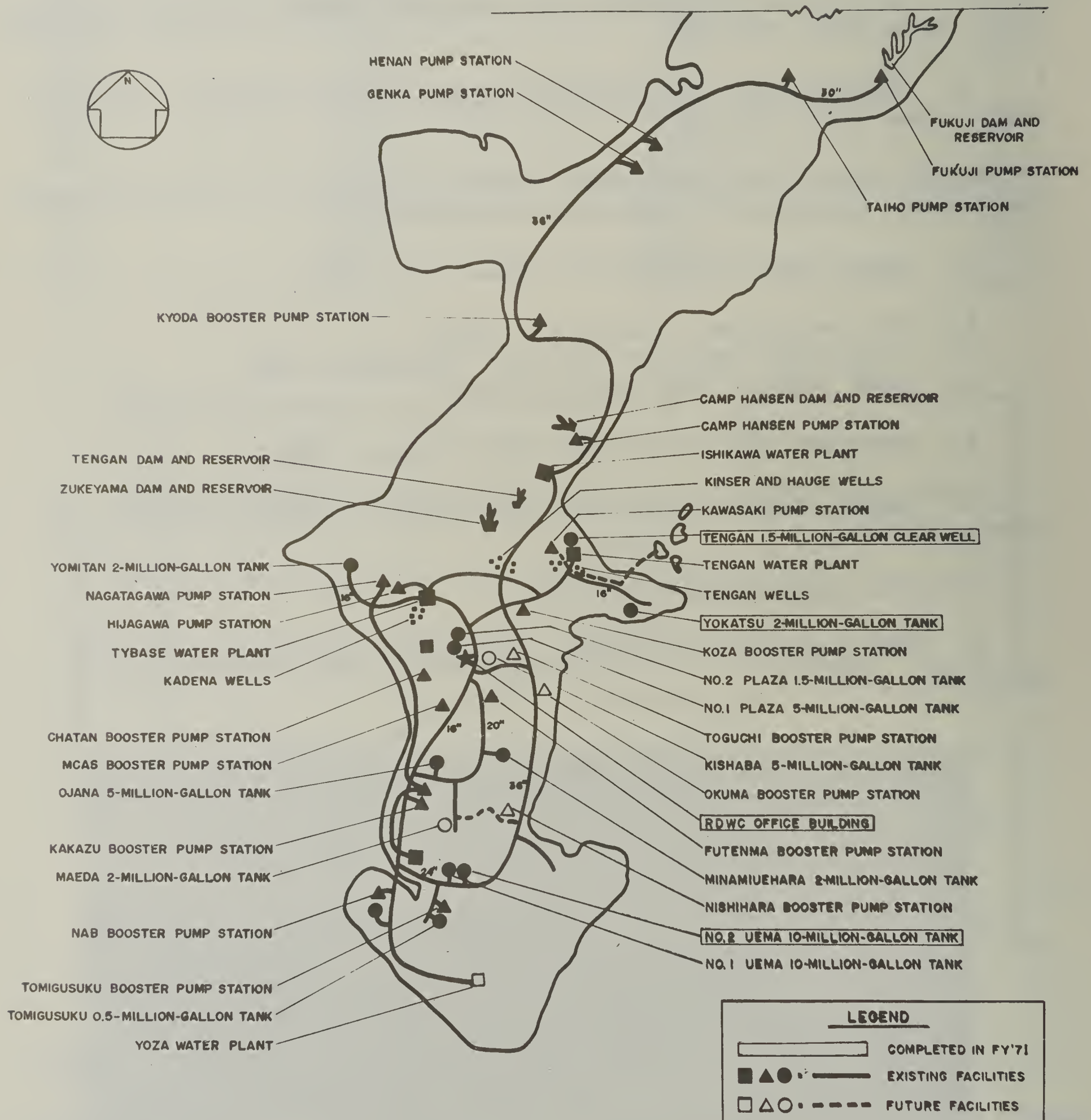
f. 2-MG Tybase Clear Well (0%).

g. RDWC Logistical Facilities (Warehouse and Maintenance Shop Addition) (0%).



Uema Tank No. 2, with a storage capacity of
10 million gallons

INTEGRATED WATER FACILITIES





Construction site of the Fukuji Dam and Reservoir

Future Plans

Construction projects needed to meet the increasing water demand in the heavily populated southern and central areas of Okinawa have been programmed by RDWC in FY 1972, with \$0.35 million from the USCAR General Fund and \$0.60 million from RDWC. Major projects in this program include:

- a. Construction of the 2-MG Maeda Storage Tank.
- b. Construction of the Toguchi Booster Pump Station.
- c. Design for the Expansion of the Ishikawa Treatment Plant.
- d. Design for Pipeline and Pump Station, Highways 13 and 38.
- e. Design for the 5-MG Kitanakagusuku Tank.

f. Construction of Pipeline from Ishikawa to Tengan and Zukeyama Reservoirs.

g. Construction of a Raw Water Pumping Station and Pipeline from Kawasaki to Henza Island.

INTEGRATED SEWERAGE SYSTEM*

Funding

A total of \$18.6 million was funded by the United States from FY 1964 through FY 1971 to support the construction of the Okinawa Integrated Sewerage System. The table below shows the actual and programmed funding schedule through FY 1972.

Funding Schedule (In thousands of dollars)

	1964-68	1969	<u>Fiscal Year</u> 1970	1971	1972 & Later	Total
TOTAL	<u>\$11,098</u>	<u>\$4,403</u>	<u>\$2,693</u> <u>1/</u>	<u>\$2,099</u>	<u>\$9,707</u>	<u>\$30,000</u>
U.S. (ARIA)	5,986	-	-	-	-	5,986
USCAR General						
Fund <u>2/</u>	4,000	4,150	2,549 <u>1/</u>	1,938	1,362	13,999
GRI	794	22	-	-	3,641	4,457
Municipalities	318	231	144	161	3,604	4,458
Local User <u>3/</u>	-	-	-	-	1,100	1,100

1/ Revised from previous report.

2/ In FY 1969, 1970, and 1971, USCAR provided a total of \$534,573 for the Ishikawa Interceptor Sewer and Sewage Treatment Plant. FY 1972 includes \$150,000 for the Ishikawa Sewerage System which is outside the Southern and Central Sanitary District.

3/ Depends upon rate of connection to sewerage system by local users.

Construction

Construction activity for the sanitary sewer system continued in FY 1971. The Isahama Sewage Treatment Plant was dedicated and placed in service in July 1970, and two major interceptor sewer projects were in varying stages of completion. Gravity sewers were constructed in Naha, Koza, Urasoe, Ginowan, Chatan, Kadena, and Misato. Major projects undertaken by the GRI and the Ryukyuan municipalities during this reporting period were as follows:

*For historical background concerning the Okinawa Sewerage System, see pages 129 and 130, Vol. XVIII, Civil Administration of the Ryukyu Islands Report.

<u>Description</u>	<u>Length</u> (meters)	<u>Funding Source</u>		
		USCAR General <u>Fund</u>	<u>Municipalities</u>	<u>Total</u>
TOTAL	53,441	\$1,894,584	\$161,132	\$2,055,716
Naha	12,326	570,393	55,622	626,015
Koza	6,685	242,740	24,098	266,838
Ishikawa (Treatment Plant)	-	250,000	1,944	251,944
Ginowan	8,738	267,301	23,687	290,988
Urasoe	7,328	228,555	22,605	251,160
Kadena	9,576	146,155	14,436	160,591
Chatan	6,611	122,100	12,080	134,180
Misato	2,177	67,340	6,660	74,000

As shown in the table below, construction progress on the waterborne sewerage system by the local municipalities increased substantially during FY 1970 and 1971 as the District Engineer work was completed and put into operation.

<u>FY</u>	USAEDO Design & <u>Construction</u>	Local Design & <u>Construction</u>	Total for Design & <u>Construction</u>
1964	\$ 249,900	\$ 18,321	\$ 268,221
1965	200,000	322,032	522,032
1966	1,982,189	875,574	2,857,763
1967	2,915,413	752,933	3,668,346
1968	2,850,114	931,854	3,781,968
1969	2,830,944	1,572,092	4,403,036
1970	1,029,873	1,662,711	2,692,584
1971	43,000	2,055,716	2,098,716
Subtotal	12,101,433	8,191,233	20,292,666
1972 Program	57,000	1,431,000	1,488,000
TOTAL	<u>\$12,158,433</u>	<u>\$9,622,233</u>	<u>\$21,780,666</u>

Funds by Source:

General Fund/ARIA	\$19,985,921
GRI/Municipalities	<u>1,794,745</u>
	\$21,780,666

Utilization

The basic sewage treatment system went into full operation in FY 1971. Both sewage treatment plants, three major interceptor sewers, and numerous municipal gravity sewers were in service by 30 June 1971. The outfall sewer lines which previously carried raw sewage from U.S. military installations to the sea were closed, thereby permanently eliminating this source of pollution. The following table shows the date of connection of each military installation to the Integrated Sewerage System.

<u>Military Installation Served</u>	<u>Connection Date</u>
Machinato Service Area	May 1970
Machinato Housing Area	May 1970
Naha Air Base	Aug 1970
Naha Military Port	Aug 1970
Camp Kue Hospital	Aug 1970
Camp Kue Housing Area	Aug 1970
Camp Sukiran	Aug 1970
Kadena Air Base	Dec 1970
Camp Foster	Jun 1971
Marine Corps Air Station	Jun 1971
Camp Mercy	Nov 1971 (scheduled)
Camp Boone	Nov 1971 (scheduled)

There were 2,429 Ryukyuan customers connected to the system as of 30 June 1971. (A customer is defined as a building or a single-family dwelling. For example, the Kokuba Office Building in Naha City with about 750 occupants is a single customer.) The status of construction and utilization of the sewerage system that serves the civilian populace was as follows:

<u>Municipality</u>	<u>Gravity Sewers</u>	<u>Number of Customers Connected to the Municipal Sewers</u>
Naha City	25%	1,887
Koza City	70%	542
Ishikawa	10%	0*
Ginowan	10%	0*
Urasoe	20%	0*
Kadena	30%	0*
Chatan	20%	0*
Misato	20%	0*

*Gravity system not yet operational.

Future Plans

Primary construction emphasis in FY 1972 will be directed towards providing additional gravity sewers in municipalities located in the Southern and Central Okinawa Sanitary District and Ishikawa. The presently anticipated distribution of U.S. funds for this purpose is shown below:

FY 1972 Gravity Sewer Program

TOTAL	<u>\$1,300,000</u>
Naha	350,000
Koza	100,000
Ishikawa	150,000
Ginowan	160,000
Urasoe	180,000
Kadena	190,000
Chatan	120,000
Misato	50,000

CHAPTER 15

TRANSPORTATION AND COMMUNICATIONS

TRANSPORTATION

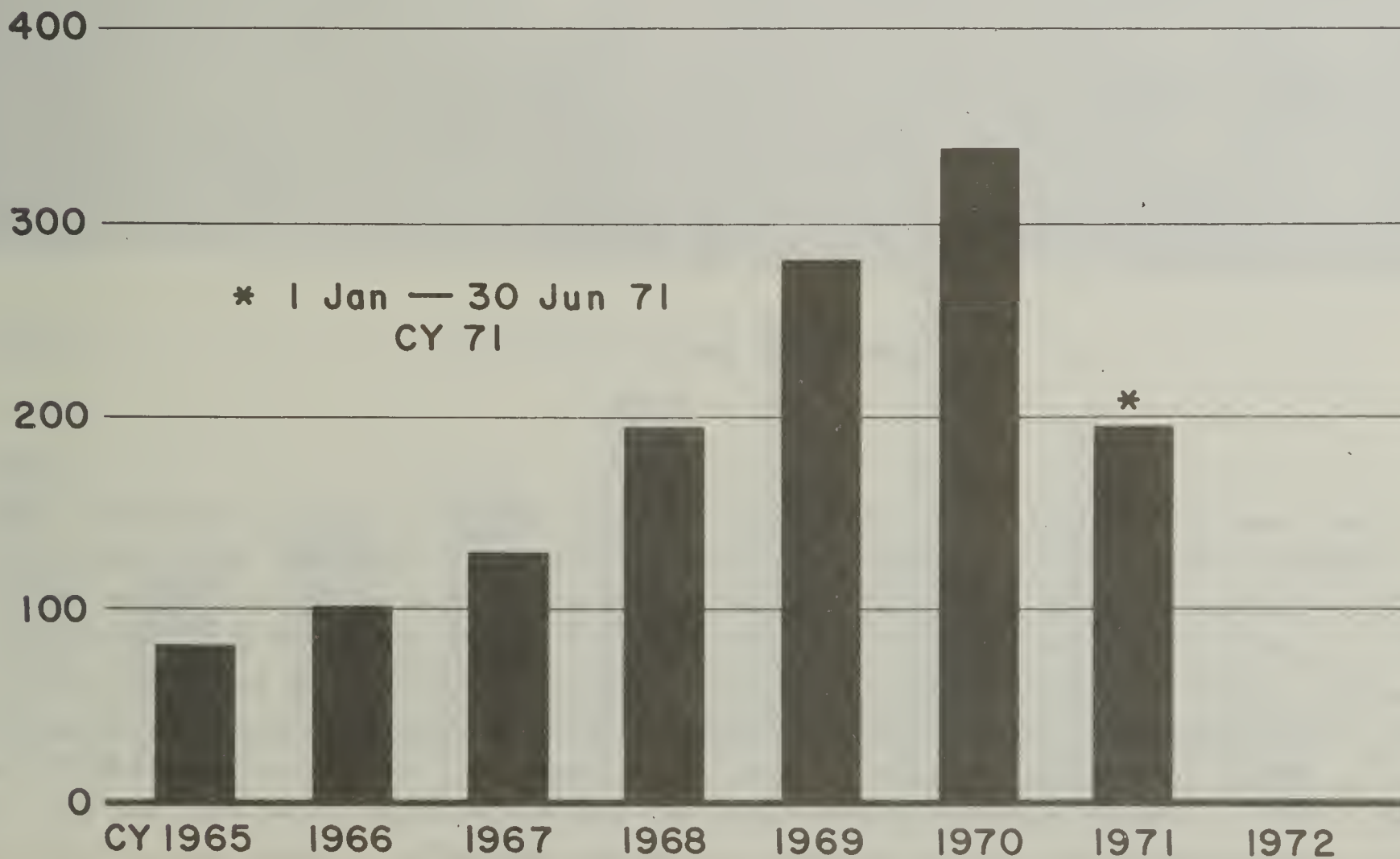
Air Transportation

Interisland

Interisland air service between Naha (Okinawa) and the islands of Miyako, Ishigaki, Yonaguni, Kume, and Minami Daito is provided by Southwest Air Lines (SWAL), which commenced operations in July 1967 under regulations promulgated by the High Commissioner. Japan Air Lines holds a 51 percent controlling interest in SWAL; the remaining 49 percent is held by various Ryukyuan interests with the major shareholder being the Naha Air Terminal Company.

SWAL operated an average of 88 weekly interisland flights in CY 1970, transporting a total of 338,986 passengers. This represented a rise of 20.1 percent over CY 1969 and over a fourfold increase during the last 5 years. Interisland air passenger traffic is expected to continue upward and reach close to the 400,000 mark in CY 1971.

INTERISLAND AIR PASSENGERS (FIGURES IN THOUSANDS)



Interisland Air Passengers

<u>Calendar Year</u>	<u>Number</u>
1965	82,813
1966	100,506
1967	124,754
1968	197,626
1969	282,138
1970	338,986
1971 (Jan-Jun)	195,421



The new Kita Daito airstrip

Two new airstrips were completed during this reporting period--one on Tarama Island located some 210 miles southwest of Naha and the other on Kita Daito Island lying 212 miles east of Okinawa. The Tarama airstrip, constructed at a cost of \$26,000, of which \$20,000 was provided from the High Commissioner's Fund for Special Assistance to Municipalities, was dedicated on 15 March 1971. The Kita Daito airstrip, the island's first air link to the rest of the Ryukyus, became operational on 1 May 1971. Total construction cost of \$124,150 was provided by the U.S. Civil Administration of the Ryukyu Islands (USCAR). These new airfields,

with coral-surfaced runways of approximately 750 meters in length and 20 meters in width, are classified as emergency airstrips. Although the airfields were constructed primarily to support emergency evacuation flights, a number of petitions have been received by USCAR from the islanders requesting regular air service. An application from a Ryukyuan company proposing to operate small aircraft between Tarama and the nearby islands of Miyako and Ishigaki was under consideration by USCAR at the close of this reporting period.

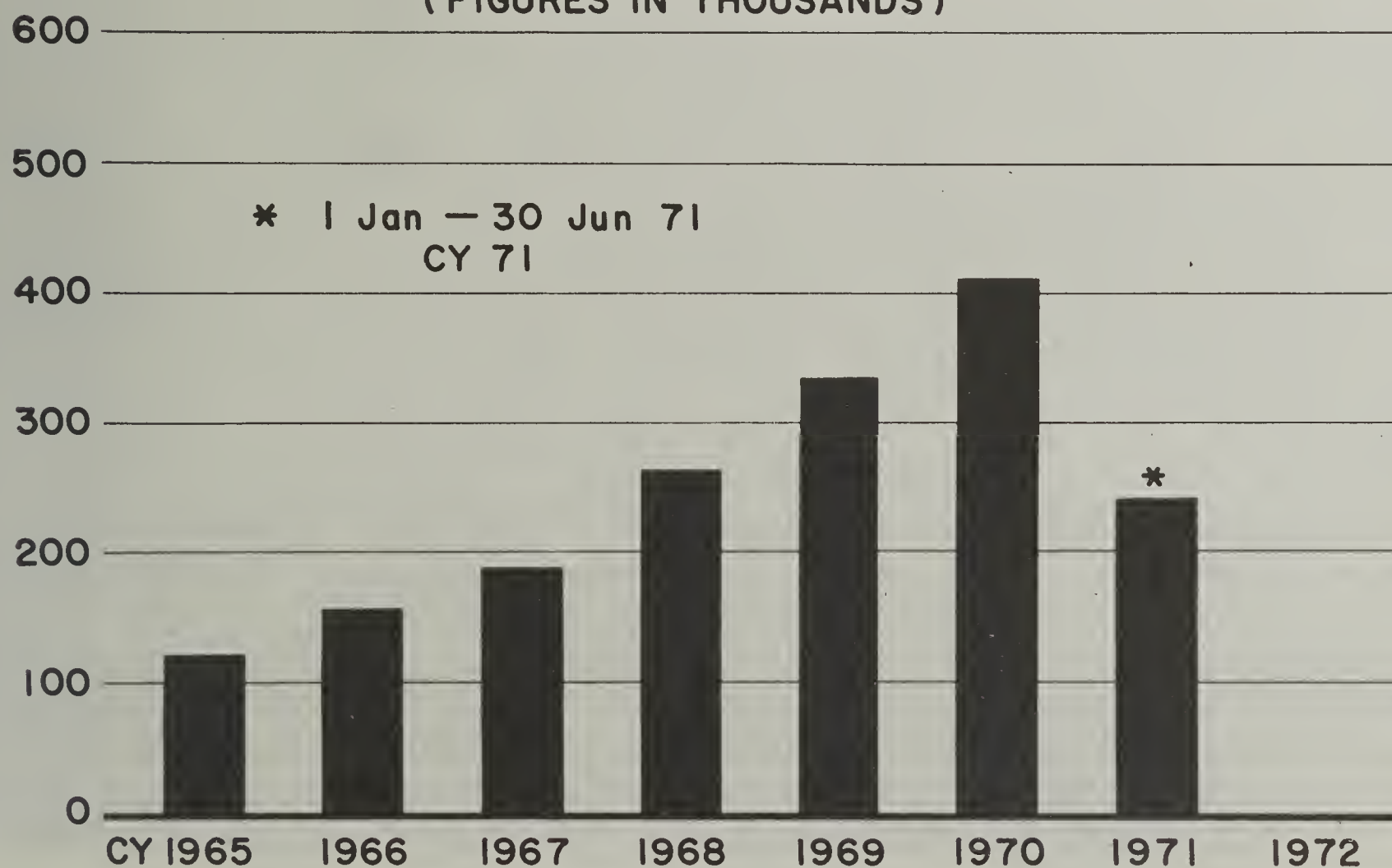
International

Seven international air carriers operate commercial flights to and from Naha: Northwest Orient Airlines, Trans World Airlines, Continental/Air Micronesia, Flying Tiger Line, Japan Air Lines, All Nippon Airways, and China Air Lines. Types of aircraft operated by these companies are Boeing 707, 727, 737; Douglas DC8-63F, DC8-62; and YS-11.

The number of passengers utilizing air transportation to and from the Ryukyu Islands has increased at an average annual rate of 26.9 percent over the past 5 years. Air travelers in CY 1970 totaled 412,151, a 22.8 percent rise over the previous calendar year, with Ryukyuan travelers comprising 34.8 percent of this total.

INTERNATIONAL AIR PASSENGERS ARRIVING AND DEPARTING NAHA CIVIL AIR TERMINAL

(FIGURES IN THOUSANDS)



International Air Passengers

<u>Calendar Year</u>	<u>Number</u>
1965	125,225
1966	163,228
1967	193,652
1968	262,231
1969	335,667
1970	412,151
1971 (Jan-Jun)	241,249

To cope with this ever-increasing number of air travelers and commercial planes, a huge \$25.5 million terminal construction project is now under way at the northwest end of Naha Air Base, financed by the United States and the Government of Japan (GOJ). The first stage of the project, including the reclamation of about 60 acres of land from the coral reef area between Naha Port and the present terminal, was commenced in 1969 with U.S.-GOJ assistance of \$1.7 million. This reclaimed land will accommodate facilities to take care of the projected 1975 traffic demands of one and a half million passengers. An additional 20 acres will be acquired from Naha Air Base to allow expansion to meet 1980 needs. Construction of the first increment of taxiways and parking area was completed in FY 1971. Work on the second increment was temporarily halted pending a GOJ study on the feasibility of locating the terminal complex near the center of the airport following reversion.



Aerial view of Naha Civil Air Terminal showing the newly reclaimed area in the background



Naha Civil Air Terminal expansion project in first phase--work progresses on construction of new terminal parking apron, above, and drainage culvert for extension of taxiway, below



Land Transportation

Car Rental Service

The amendment of the Highway Transportation Law by the Government of the Ryukyu Islands (GRI) in early 1970 to legalize the operation of rental cars of all sizes and types resulted in a boom in rental car operations in the past year. The GRI initially approved the operation of 272 passenger cars by six licensees in FY 1970, with future increase or decrease to be determined upon a review of the overall results of this operation. During the current year, three additional applicants were licensed, bringing the total number of rental cars in operation in the Ryukyu Islands as of 30 June 1971 to 320. Thirteen other applications, involving a total of 530 vehicles, were under consideration by the GRI as of the end of this reporting period.

Motor Vehicles

The number of GRI-registered motor vehicles rose to 124,542 during FY 1971, an increase of 20,446 over the previous year. Adding the 37,926 motorbikes and scooters licensed by various municipal offices and an estimated 33,672 U.S. official and privately owned vehicles, the total number of motor vehicles in the Ryukyu Islands reached 196,140 as of 30 June 1971. Of the 124,542 GRI-licensed vehicles, 118,024 vehicles (95 percent) were on the main island of Okinawa.

Commercial Motor Carriers

A total of 227,763,297 passengers utilized public conveyances during CY 1970. This represented a decline of 621,366 passengers from the previous calendar year; however, revenue grossed by taxi and bus companies rose by \$2,510,555 during the year to \$33,730,845 due to fare increases. Taxis accounted for 55 percent of the total passenger volume and 68 percent of the total gross revenue.

Commercial Motor Carriers CY 1970

	<u>No. of Vehicles</u>	<u>Total Passengers/ Revenue Tons</u>	<u>Gross Revenue</u>
Buses	862	103,588,014	\$10,714,941
Taxis	3,097	124,175,283	23,015,904
Trucks	1,862	8,330,410 (tons)	5,422,453

Marine Transportation

Transport Vessel Acquisition

Four foreign commerce vessels, all cargo carriers, were added to the Ryukyuan merchant fleet during FY 1971.

The Borneo Maru, 2,838 gross tons (4,605 deadweight tons), owned and operated by Okinawa Kisen Kaisha, was constructed at a total cost of \$1,045,000, which included a \$720,000 loan from the Ryukyu Development Loan Corporation (RDLC). This vessel was put into service on 21 November 1970 to haul lauan logs from the Philippines and Borneo to Okinawa.

The Terushima Maru, 989 gross tons (1,825 deadweight tons), owned by the Ryukyu Kaiun Kaisha, was placed into service on 3 February 1971 as a tramp carrier to haul "lot cargo," such as cane sugar, pineapple, iron ingots, and pulpwood between Okinawa and ports in Japan. Total construction cost was \$550,000, consisting of a \$385,000 loan from RDLC and \$165,000 in company funds.

The Yushin Maru, 2,999 gross tons (5,890 deadweight tons), owned and operated by the Arimura Sangyo Company, was constructed at a cost of \$1,181,367, with financial assistance of \$700,000 from the Bank of the Ryukyus (BOR) and \$481,367 from the Nichimen Jitsugyo Company of Japan. This vessel commenced operation on 1 April 1971. Construction of another Arimura Sangyo vessel, the Yuwa Maru, 2,758 gross tons (4,836 deadweight tons), was nearing completion and was scheduled for service in early August 1971. BOR provided a loan of \$733,176 to finance part of the construction cost of \$1,047,395. Both of these vessels will engage in the transport of lumber from Indonesia to Japan.

Ryukyuan Vessels

There were 418 Ryukyuan vessels in operation at the end of June 1971, an increase of 18 vessels over the previous corresponding period. These consisted of 217 wooden vessels (6,343 gross tons) and 201 steel vessels (82,960 gross tons) and were classified as follows: 56 passenger-cargo (16,307 gross tons), 58 cargo (43,801 gross tons), 273 fishing (26,987 gross tons), and 31 others (2,208 gross tons).

Foreign Trade*

Thirty-four Ryukyuan vessels (five passenger-cargo and 29 cargo carriers) were engaged in foreign commerce during CY 1970. These vessels hauled 1,202,750 revenue tons of cargo during the year, grossing \$9,175,961 in revenue. This constituted 40.1 percent of the total inbound and outbound commercial cargo (3,002,331 revenue tons) and 29.6 percent of the total cargo revenue (\$30,969,895) earned by all vessels entering into and departing from the Ryukyus. The number of persons utilizing surface transportation to and from the Ryukyus during CY 1970 totaled 287,740, bringing in a gross revenue of \$4,755,386. Of this total, Ryukyuan vessels transported 183,082 passengers (63.6 percent),

*Source of data: Maritime Section, Trade and Industry Department, GRI, which compiles information submitted by shipping companies and agents.

grossing \$2,753,395 (57.9 percent). Total inbound and outbound cargo and passenger revenue was \$35,725,281, of which \$11,929,356 (33.4 percent) accrued to Ryukyuan companies. Although the total revenue from overall cargo and passenger operations showed a decline of 2.9 percent from the previous calendar year, revenue earned by Ryukyuan carriers increased markedly by 15 percent.

Naha and Tomari Commercial Ports

Naha and Tomari Commercial Ports recorded 2,300 entries of foreign commerce carriers during CY 1970 (1,552 at Naha, 748 at Tomari). Of these, 1,120 were made by Ryukyuan vessels, 950 by Japanese, and 230 by all others (mostly U.S.). In addition, 1,559 entries were made at Tomari Port by Ryukyuan vessels engaged in interisland commerce, bringing the total number of entries at that port to 2,307.



Cargo operations at Naha Commercial Port

Navigational Aids

A total of \$144,075 was provided by the Government of Japan to the GRI in FY 1971 for the construction and improvement of navigational aid facilities. The renovation and equipping of the Hedozaki Lighthouse, located at the northern tip of Okinawa Island, was completed on 16 May 1971. Total cost of \$23,665 included \$2,480 for structural improvements and \$21,185 for lighting and other equipment. The construction of two new lighthouses; namely, the Kita Daito Jima Lighthouse, located at the top of Mt. Kogane on the northwest side of the island, and the Aharensaki Lighthouse, located at the southern tip of Tokashiki Island, was also commenced during the year at a cost of \$84,550 and \$35,860,

respectively. Both lighthouses were scheduled for completion and activation in October 1971.

WEATHER SERVICES

Major projects undertaken by the Ryukyu Meteorological Agency (RMA) during FY 1971, with financial assistance of \$330,896 from the Japanese Government, were as follows: purchase of weather service equipment (\$86,261), supply of hydrogen for high altitude observation (\$15,925), rental of a channel in the Japan-Ryukyus microwave system (\$126,344), acquisition of a new radar site (\$10,611), and construction of weather service facilities (\$91,755). The latter covered construction of an aviation weather observatory at Minami Daito (\$16,723), renovation of gas production chambers for high altitude observations at Minami Daito (\$6,107) and at Ishigaki (\$4,548), and construction of a radar facility (\$64,377) to replace the existing old facility and equipment presently located in Naha. A new weather radar site in the vicinity of Chinen was approved.



High altitude observation facility, Ishigaki

Equipment outlays were for aviation weather service at Minami Daito (\$1,034) and at Yonaguni (\$1,034), wind-direction and wind-speed gauges (\$8,420), long-term, self-recording water-level gauges (\$7,500), hydrogen gas cylinders (\$3,795), weather chart recording facsimile (\$18,163), electric generator (\$18,000), and miscellaneous items (\$28,315).



Naha Higashi Post Office

POSTAL SERVICES

Under a continuing program to improve postal facilities in the Ryukyu Islands, eight wooden post office buildings were replaced with modern ferro-concrete structures, while four other post offices were either renovated or expanded during the year. Total cost of these projects amounted to \$205,145, with approximately 90 percent of the financing provided through a Postal Services Agency loan from the Industrial Development Fund Special Account which is administered by the GRI Planning Department.

<u>New Construction</u>	<u>Date of Completion</u>	<u>Cost of Construction</u>
Oku Post Office	8 Dec 70	\$12,250
Motobu Post Office	10 Dec 70	21,850
Henza Post Office	29 Dec 70	12,000
Iheya Post Office	3 Mar 71	13,780
Minami Daito Post Office	20 Jun 71	17,580
Izena Post Office	21 Jun 71	13,900
Nakama (Urasoe) Post Office	22 Jun 71	12,450
Akamichi (Gushikawa) Post Office	22 Jun 71	11,150

<u>Renovations</u>	<u>Date of Completion</u>	<u>Cost of Construction</u>
Koza Post Office	22 Oct 70	\$ 3,270
Shuri Post Office	1 Dec 70	3,490
Gushikawa Post Office	5 Dec 70	10,425
Naha Higashi Post Office	31 Mar 71	73,000

The number of post offices in the Ryukyu Islands remained unchanged from the previous year at 96, of which 74 are located in Okinawa, nine in Miyako, and 13 in Yaeyama.

Annual Issue of Postage Stamps

The following stamps were issued by the Postal Services Agency during this reporting period:

<u>Description</u>	<u>Date of Issue</u>	<u>Quantity</u>
3¢ Kumiodori (Opera) (Sheets of 20)	30 Jun 70	600,000
Series No. 4 (Sheets of 4)		500,000
3¢ Kumiodori (Opera) (Sheets of 20)	25 Aug 70	600,000
Series No. 5 (Sheets of 4)		500,000
3¢ Great Men Series No. 1	25 Sep 70	900,000
3¢ National Census	1 Oct 70	900,000
3¢ Cultural Property Protection Week	2 Nov 70	900,000
3¢ Participation in National Administration	15 Nov 70	900,000
1½¢ 1971 New Year Stamp	10 Dec 70	3,200,000
3¢ Great Men Series No. 2	22 Dec 70	900,000
3¢ Great Men Series No. 3	22 Jan 71	900,000
3¢ Folkcraft Series No. 1	16 Feb 71	900,000
3¢ Folkcraft Series No. 2	16 Mar 71	1,100,000
3¢ Philatelic Week	15 Apr 71	1,100,000
3¢ Folkcraft Series No. 3	30 Apr 71	1,100,000
3¢ Ordinary Stamp	10 May 71	3,000,000
3¢ Folkcraft Series No. 4	20 May 71	1,300,000
3¢ 50th Anniversary of Naha City	20 May 71	1,300,000
3¢ Folkcraft Series No. 5	15 Jun 71	1,300,000

Stamp Exhibition

The GRI Postal Services Agency participated in two exhibitions in FY 1971--the Postal Exhibition (13th INTERPEX) held in New York on 12-14 March 1971 and the "First Stamp Expo 71" held in Los Angeles, California, on 26-28 March 1971.

COMMUNICATIONS

Ryukyu Telegraph and Telephone Public Corporation (RTTPC)

RTTPC was established by the GRI on 1 May 1959 to take over all civil and public telecommunications operations which had previously been conducted

by the GRI Public Services Department. The succeeding rapid growth of RTTPC in the 12 years of its existence can be seen in the following statistics:

	<u>1959</u>	<u>1967</u>	<u>1968</u>	<u>30 June</u> <u>1969</u>	<u>1970</u>	<u>1971</u>
	(In thousands of dollars)					
Total Revenue	\$186	\$7,732	\$8,933	\$10,870	\$14,487	\$17,665
Total Expenditures	97	6,441	7,630	9,498	12,044	15,657
Balance	89	1,291	1,303	1,372	2,443	2,008
Construction Budget	-	3,639	4,206	5,753	7,100	7,989
Number of Employees	524	1,427	1,481	1,541	1,628	1,902

Value of RTTPC (as of 30 June 1971) Fixed Assets: \$27,954,837.27
 Current Assets: 7,069,344.42
 Net Worth: 21,478,873.76



Ryukyu Telegraph and Telephone Public Corporation's office building

Telephone

To meet the ever-increasing demand for telephone service, RTTPC launched an accelerated program for the conversion from manual to automatic operation. On 30 June 1970, an islandwide dial telephone system for the island of Okinawa was completed. Seven new automatic exchanges were inaugurated during this reporting period, bringing the number of automatic exchanges to 35. Manual exchanges, on the other hand, decreased from 27 in FY 1970 to 24 in FY 1971.

Telephone Exchanges
(As of 30 June 1971)

<u>District</u>	<u>Automatic</u>	<u>Manual</u>
Okinawa	32	8 (offshore islands)
Miyako	1	6
Yaeyama	2	10

Telephone subscriber lines in service on 30 June 1971 reached 72,001, an increase of 16 percent during the year. The number of telephone instruments totaled 90,524 (including 1,104 public pay telephones). During this reporting period, RTTPC installed 11,175 additional telephone subscriber lines against 35,582 applications, leaving 24,407 applications pending as of 30 June 1971. Okinawa now has 96 telephones per 1,000 people.

Telephones

<u>Description</u>	<u>1967</u>	<u>1968</u>	<u>Fiscal Year</u>		<u>1971</u>
			<u>1969</u>	<u>1970</u>	
Telephone Subscribers	36,550	43,564	52,054	62,259	72,001
Business Subscribers	(26,655)	(30,462)	(33,976)	(37,820)	(41,528)
Residential Subscribers	(9,895)	(13,102)	(18,078)	(24,439)	(30,473)
Number of Instruments	44,664	54,423	65,352	77,912	90,524
Public Pay Telephones	(718)	(781)	(842)	(920)	(1,104)
Applications Carried Forward from Previous Year	4,736	6,935	7,990	8,888	11,207
New Applications Filed During Year	9,288	9,354	10,854	13,940	24,375
Subscriber Lines Installed During Year	7,089	8,299	9,956	11,621	11,175
Applications Carried Forward	6,935	7,990	8,888	11,207	24,407
RTTPC Construction Budget (All types of construction) (Unit: \$1,000)	\$3,639	\$4,206	\$5,753	\$7,099	\$8,912

Interisland Telephone and Telegraph

The interisland tropospheric forward scatter communications system between Okinawa and Sakishima (Miyako, Yaeyama), which was activated on 1 July 1969, presently has 60 4-kiloHertz (kHz) voice channels between Okinawa and Sakishima and 24 4-kHz channels between Miyako and Yaeyama.

Tropospheric Scatter System

Telephone Circuitry:

	<u>Channels</u>	<u>Remarks</u>
<u>Naha-Miyako</u>		
Public Telephone	19	From Naha 6, from Miyako 8, ringdown 5.
Leased Circuits	3	Ryukyu Broadcasting Corporation (RBC), Okinawa Hosokyo Kyokai (OHK), RMA (1 each).
Carrier Circuits	<u>2</u>	1 for telegraph (see below), 1 reserve.
Total	24	
<u>Naha-Yaeyama</u>		
Public Telephone	16	From Naha 6, from Yaeyama 7, ringdown 3.
Leased Circuits	2	RMA, GRI Police (1 each).
RTTPC Coordination	1	Operation and maintenance.
Carrier Circuits	2	1 for telegraph (see below), 1 reserve.
Reserve Status	<u>3</u>	Future assignment.
Total	24	
Standby Circuits	<u>12</u>	
Grand Total	60	
<u>Miyako-Yaeyama</u>		
Public Telephone	14	From Miyako 4, from Yaeyama 4, ringdown 6.
Leased Circuits	1	GRI Police.
Voice Transmission of Telegrams	1	Public Telecom.
RTTPC Coordination	1	Operation and maintenance.
Reserve Status	<u>7</u>	Future assignment.
Total	24	

Telegraph Circuitry (2 carrier circuits in operation; each provides 6 telegraph channels):

<u>Naha-Miyako</u>		
Public Telegraph	1	
Leased Telegraph	2	RMA, GRI Welfare Dept. (1 each).
Reserve Status	<u>3</u>	Future assignment.
Total	6	
<u>Naha-Yaeyama</u>		
Public Telegraph	1	
Leased Telegraph	2	RMA, GRI Welfare Dept. (1 each).
Reserve Status	<u>3</u>	Future assignment.
Total	6	

Public telecommunications services within the island groups of Okinawa, Miyako, and Ishigaki are being provided by use of very high frequency (VHF) radio circuitry and submarine cable. Shortwave (HF) circuitry is used between Okinawa and Minami Daito because of the distance involved.

Submarine Telephone Cable
(Installed and operational)

<u>Route</u>	<u>No. of Pairs</u>
Hirara (Miyako) and Irabu	14
Karimata (Miyako) and Ikema	6
Zamami and Aka	6
Motobu (Okinawa) and Ie-Shima	14
Izena and Iheya	8
Yonagusuku (Okinawa) and Henza	25
Henza and Hamahiga	2
Katsuren (Okinawa) and Tsuken	8
Aka and Keruma	2
Henza and Miyagi	31
Unten (Okinawa) and Kouri	6
Motobu (Okinawa) and Sesoko	14
Zamami and Tokashiki	20
Shimoji and Kurima	6
Chinen (Okinawa) and Kudaka	8
Tarama and Minna Jima	2
Ishigaki and Taketomi	28
Taketomi and Kuroshima	28
Kuroshima and Shinjo	14
Shinjo and Ohara	14
Kuroshima and Kohama	8
Miyagi and Ikei	11



Submarine cable laying in the Ryukyus

Japan-Ryukyus Microwave System

Telephone traffic volume over the existing Japan-Ryukyus microwave system continued to increase, rising 45.9 percent from 1969 to 1970 and 36.5 percent from 1970 to 1971.

	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
Telephone Calls	66,633	379,470	515,552	752,374	1,026,617

The existing Japan-Ryukyus over-the-horizon (OH) microwave system, which was activated on 1 September 1964, now has a total of 216 4-kHz voice channels. These channels are subdivided or combined, as the case may be, to accommodate the telephone, telegraph, and video circuitry enumerated in the table below.

<u>Between Japan and the Ryukyus</u>	<u>4-kHz Voice Channels</u>
TV Audio (OHK and commercial stations)	16
Public Telephone (Tokyo 59, Fukuoka 37)	96
International Telephone, Satellite to U.S. and Hong Kong	14
RTTPC Business Coordination	8
Circuitry Testing and Substitution	12
Leased Telephone Circuits:	15
Kyodo Press	4
RBC	2
Nippon Hoso Kyokai (NHK)	2
Japan Civil Aviation Bureau	1
Japan Science and Technology Agency	1
Ryukyu Shimpo (Newspaper)	1
RMA	1
Okinawa Television Company (OTV)	1
Radio Okinawa Company (ROK)	1
GRI Police Department	1
Carrier Telegraph Circuits	9
(2 channels are in reserve, 1 is not complete as to terminal equipment, 6 channels, providing 8 telegraph circuits per channel, are in use as follows:)	
Public Telegraph Services	3
Kokusai Denshin Denwa (KDD)	5
Telex	15
RTTPC Control and Maintenance	2
Available for Future Assignment	11
Leased Telegraph Circuits:	12
Japan Air Lines	1
Northwest Orient Airlines	1
Pan American Airlines	1
NHK	1
Jiji Press	1
RMA	2
All Nippon Airways	1
Japan Civil Aviation Bureau	1
Aeronautical Radio, Inc.	1
GRI Labor Department	1
Air America	1
Available for Future Assignment	<u>46</u>
Total	216



Microwave communications facilities, Shuri

As indicated in the previous report, this over-the-horizon microwave system has reached a practical saturation point. A new microwave system between Japan and the Ryukyus to operate on a line-of-sight basis is now under construction and is expected to be activated at the time of reversion. Progress of construction of the new microwave communication facilities as of 30 June 1971 was as follows:

1. Kunigami Station (northern tip of Okinawa)

a. Construction of access road and site preparation: \$20,381.59, started 30 September 1970, completed 23 March 1971.

b. Construction of building structure: \$81,600.00, started 12 February 1971, scheduled date of completion 30 October 1971.

c. Tower construction: \$188,200.00 (tower), \$30,905.00 (tower foundation), started 15 February 1971, scheduled date of completion 30 September 1971.

2. Tano Station

a. Renovation and expansion of building: \$55,500.00, started 12 February 1971, scheduled date of completion 30 September 1971.

b. Tower construction: \$149,600.00 (tower), \$35,996.00 (tower foundation), started 15 February 1971, scheduled date of completion 30 September 1971.

3. Shuri Station

a. Expansion of building: \$32,500.00, started 20 March 1971, scheduled date of completion 30 September 1971.

b. Reinforcement work for tower: \$20,200.00, started 15 February 1971, scheduled date of completion 31 October 1971.

International Telecommunications Services

On 1 September 1970, RTTPC discontinued operation of direct circuitry between Okinawa, Taipei, Hong Kong, Manila, San Francisco, and Oakland. The direct shortwave (HF) circuits involved were:

a. Two Okinawa-San Francisco (RCA Communications, Inc.-RCAC) telegraph circuits.

b. One Okinawa-Manila (RCAC) telegraph circuit.

c. Two Okinawa-Hong Kong (Cable and Wireless, Ltd.-C&W) telegraph circuits.

d. One Okinawa-Taipei (Chinese Government Radio Administration-CGRA) telegraph circuit.

e. One Okinawa-Manila (RCAC) telephone circuit.

f. One Okinawa-Hong Kong (C&W) telephone circuit.

g. One Okinawa-Taipei (CGRA) telephone circuit.

h. Four Okinawa-Oakland (American Telephone and Telegraph Company-ATT) telephone circuits.

The following circuitry was established in lieu of the above:

a. Two Okinawa-San Francisco (RCAC) telegraph circuits, routed via the Japan-Ryukyus Microwave System and the Japan-U.S. Satellite System.

b. One Okinawa-Tokyo (KDD) subscriber telegraph circuit.

c. Two Okinawa-Tokyo (KDD) subscriber telephone circuits.

d. One Okinawa-Hong Kong (C&W) leased telegraph circuit.

With respect to the above, there was no change in the method of handling telephone traffic between Okinawa and the United States (and beyond),

which continued to be routed via the Japan-Ryukyus Microwave System and leased channels in the Japan-U.S. Satellite System. The four direct telephone circuits have been maintained on an emergency standby basis pending verification of reliability of the microwave-satellite circuits. Further, with the new system, leased telegraph service between Okinawa and Hong Kong is routed via the Japan-Ryukyus Microwave System and the Tokyo-Hong Kong Satellite System. Telephone traffic destined to other Asian, European, and Western Hemisphere areas is routed to Japan via the Japan-Ryukyus Microwave System, thence relayed by KDD circuits to the appropriate points, with the normal division of tolls between RTTPC and KDD. The following gives a further explanation of how the services are now handled:

a. Japan's KDD (International Telegraph and Telephone Company) operates all international telegraph and telephone services between Japan and all other countries.

b. KDD operates high efficiency telegraph and telephone circuits to all points heretofore involved with Okinawa, and many more in addition.

c. With the new routing (via Tokyo), telegraph traffic to every place in the world will be automatically relayed via KDD to the appropriate circuits for onward transmission. (Teletypewriters are used exclusively and the relay is accomplished automatically, same as the U.S. Army Strategic Communications Command's tape relay system.)

d. RTTPC continues to lease channels in the Japan-U.S. Satellite System for telephone service between Okinawa and the United States (and beyond). KDD does not participate in the division of tolls for this service.

e. The leased channel telegraph service between Okinawa and Hong Kong, via Tokyo, is the same situation as in paragraph d, above; i.e., RTTPC leases a channel in the Tokyo-Hong Kong Satellite System, pays the leased channel costs, and KDD does not participate in the division of tolls for this service.

Broadcasting

On 21 January 1971, three new television broadcasting channels were allocated to the Okinawa Hosokyo Kyokai for educational broadcasting purposes. The three channels are identified as follows:

a. 216-222 MegaHertz (MHz) (Japanese Channel 12), the main station, to be located at OHK's existing transmitter station on Okinawa.

b. 632-638 MHz (Japanese Channel 40), to be located at Nakijin on Okinawa to relay the main station's output to remote northern areas. This UHF relay transmitter will be at the same location (Nakijin) as the existing UHF station relaying the station's general purpose output.



(Above) TV control room in OHK's main station



(Left) Ultra high frequency TV relay station in Motobu serves northern Okinawa

c. 90-96 MHz (Japanese Channel 1), to be located on Kumejima, about 50 nautical miles west northwest of Naha. (The existing OHK relay station on Kumejima, operating on U.S. Channel 7, 174-180 MHz, was activated on 1 April 1971.) Emission is the same for all three newly authorized stations (5000A5 and 36F3). Authorized power is 5,000 watts for Japanese Channel 12, 300 watts for Channel 40, and 10 watts for Channel 1. Activation of this educational broadcasting system is scheduled to coincide with the reversion of the Ryukyus to Japan.

The Far East Broadcasting Company's (FEBC) postreversion status appears to have been resolved by an agreement between FEBC and Japanese authorities which provides that: (1) the FEBC Japanese language station "KSDX" will be transferred to a newly established Ryukyuan "zaidan hojin" (foundation) on which FEBC will be represented; (2) FEBC's English language "KSAB" will be allowed to continue in operation (by FEBC) for a period of 5 years after reversion, after which its continued operation will be subject to review; and, (3) FEBC's 100-kilowatt station at Okuma, broadcasting to the China mainland, will be shut down upon reversion. FEBC is building a new medium wave broadcasting station on Cheju Island, Republic of Korea, which will presumably carry on the programming now being accomplished from Okinawa.

Reversion

Most of the necessary basic groundwork has been laid for the reversion of the Ryukyu Islands to Japan and the concurrent takeover of regulatory control of civil telecommunications by the Japanese Radio Regulatory Bureau (RRB). A large majority of the civil licenses have been processed by the GRI, with the assistance and approval of the U.S. Civil Administration of the Ryukyu Islands. Radio frequencies of all types are coordinated by USCAR prior to assignment to the GRI for a specific purpose. Each GRI radio station license certificate is signed by a representative of USCAR.

The GRI has furnished to RRB all relevant information of GRI-licensed radio stations of all types; e.g., identification, addresses, geographical coordinates, technical specification, and station call signs. RRB is aware of the requirement to change all radio station call signs from the present U.S. types to Japanese simultaneously with reversion and will use the GRI-furnished data to this end. USCAR has similarly furnished appropriate information to RRB concerning the relatively few radio station licensees which are operating on the basis of direct High Commissioner authority.

There have been some discrepancies in local frequency usage by both civil and U.S. military agencies. Most of these resulted from two factors:

a. U.S. agencies of necessity have been governed by U.S. practices at home, which falls in Region 2 of the world as divided into three regions for purposes of international radio frequency allocation and usage. Okinawa (and Japan) are in Region 3.

b. Japan has its own special suballocation tables for frequency usage within Japan.

These two factors have combined to bring about a few discrepancies. Concerted efforts by USCAR, U.S. military agencies, and the GRI, together with increasingly close coordination with RRB, have resulted in either the elimination of the discrepancies through substitution of frequencies or a clear understanding of the situation and of the ways and means for an early solution.

Transfer of the radio regulatory function from USCAR to the Government of Japan has been made relatively simple by two factors which have keynoted USCAR's regulatory operations to date: strict adherence to the International Radio Regulations of the International Telecommunications Union, and scrupulous avoidance of licensing actions which would have been marginal with respect to propriety (as opposed to legality) and those which might have been viewed as inimical to Japanese interest. For example, as a result of the Southeast Asian situation, several inquiries and/or requests were received concerning the establishment of nonmilitary, special purpose radio circuitry between Okinawa and South Vietnam or the Philippines. These proposals were all rejected at the outset. Finally, the stations licensed directly by the High Commissioner, with the exception of FEBC, are not of the types that are required to use the conventional U.S.-type call signs. For that reason, FEBC is the only one of the High Commissioner licensees that must be changed to Japanese call signs.

CHAPTER 16

PUBLIC WORKS

General

Although vigorous construction activity continued in the Ryukyu Islands in FY 1971, the U.S.-funded portion was somewhat reduced from previous years. U.S. contributions in this fiscal year were directed toward the construction of new roads, bridges, sewer systems, and civic action projects, while private and local governmental sectors undertook an expanded housing and public facilities construction program.

A total of \$17,567,044 was allocated for the FY 1971 construction program by the U.S. Government, U.S. Civil Administration of the Ryukyu Islands (USCAR), Government of Japan (GOJ), Government of the Ryukyu Islands (GRI), and local municipalities, with the following amounts funded by each:

Administration of the Ryukyu Islands, Army (ARIA)	\$ 104,284
USCAR General Fund (GF)	5,383,807
GOJ, GRI, and Others	12,078,953

Major activities of the GRI and its agencies in the public works area during FY 1971 included the awarding of construction contracts totaling \$12,078,953, exclusive of U.S.-funded construction and design service contracts and small disaster relief and rehabilitation programs, and the completion of 170 projects costing \$7,447,891. Forty-four other projects totaling \$8,590,464 were still under construction at the end of the fiscal year. All of these undertakings were funded by the GOJ and local governmental agencies. (During the year, USCAR relinquished its responsibility for monitoring public works programs funded by the GOJ; therefore, projects financed with these funds are not itemized in this report.)

Design Review

Engineering designs for 51 U.S.-funded construction and design service projects totaling \$5,488,091 in contract costs were reviewed and approved by USCAR during FY 1971. A breakdown of these projects by program category follows:

<u>Program Category</u>	<u>Contract Cost</u>	<u>No. of Projects</u>
TOTAL	\$5,488,091	51
Roads and Bridges	3,433,518	8
Sewer Systems	1,894,584	28
Public Health and Welfare Facilities	104,284	5
Planning and Design	55,705	10



Civil Administrator Fearey and Chief Executive Yara cut the ribbon to open the Kokuba River Bridge



Representatives of three generations of the same family living in the vicinity of the bridge lead the first procession across the bridge



Kokuba River Bridge, the southern terminus of the \$32 million Highway 41 bypass

Planning and Design

Ten design service projects costing \$55,705 in U.S. funds were placed under contract in FY 1971, of which nine were completed during the year. These contracts were in support of the "Roads and Bridges" program for the current and next fiscal year. In addition, seven other U.S.-funded design service contracts awarded in previous years, totaling \$422,943 in contract costs, were completed during this reporting period.

Planning and Design Contracts Completed During FY 1971

	<u>Cost</u>	<u>Funding Year (FY)</u>
TOTAL	<u>\$469,648</u>	
Highway 41, Connections to Highways 1 and 5	74,939	1969
Highway Master Plan, Okinawa Island	224,203	1969
Highway 24, Koza City	4,700	1970
Highway 13, Kochinda to Yonabaru	18,362	1970
Ishigaki Airfield	23,800	1970
Highway 41, Himeyuri Street Elevated Roadway	69,000	1970
Highway 41, Modifications	7,939	1970
Cadastral Survey, Highway 41	7,689	1971
Cadastral Survey on Himeyuri Street	6,900	1971
Structure Appraisal, Highway 41	1,200	1971
Structure Appraisal, Himeyuri Street	9,506	1971
Structure Appraisal, Highway 41	747	1971
Structure Appraisal, Highway 3	594	1971
Design Modifications, Himeyuri Street	14,208	1971
Design Modifications, Highway 41	5,361	1971
Waterline Survey, Highway 108	500	1971

Planning and Design Contracts Under Way as of 30 June 1971

	<u>Cost</u>	<u>Funding Year (FY)</u>
TOTAL	<u>\$212,000</u>	
Naha Civil Air Terminal, Phase II	203,000	1970
Predesign Surveys	9,000	1971

Highway Improvement Program

The major U.S. effort in the highway program has been the construction of the new Highway 41. The completion during the year of the Kokuba River Bridge (Naha Ohashi) with approaches, Asato Interchange, Makabi Interchange superstructure, and a section north of Uchima added 3,193 meters to this paved four-lane highway. Work on an additional 7,877 meters of highway improvement or new construction was in progress at the end of the



Asato Interchange, Highway 41

year. As of 30 June 1971, there were 500 kilometers (311 miles) of paved highways in the Ryukyu Islands.

Highway Improvements Completed in FY 1971

	<u>Length (Meters)</u>	<u>Cost</u>	<u>Funding</u>	<u>FY</u>
TOTAL	<u>3,193</u>	<u>\$2,217,442</u>		
Highway 41, Kokuba River Bridge	1,048	547,660	ARIA	69
Highway 41, Asato Interchange	455	785,240	GF/ARIA	69
Highway 41, Makabi Interchange				
Superstructure	90	97,000	GF	69
Highway 41, Uchima to Ohira	1,600	607,360	GF	69
Highway 41, Modifications		128,001	GF/ARIA	70/71
Highway Signs		27,791	ARIA	70
Highway Lane Marking		24,390	ARIA	70

Highway Improvements Under Construction as of 30 June 1971

	<u>Length (Meters)</u>	<u>Cost</u>	<u>Funding</u>	<u>FY</u>
TOTAL	<u>7,877</u>	<u>\$5,294,490</u>		
Highway 41, Ohira Interchange		883,410	ARIA	70
Highway 41, Makabi Interchange				
Approach	160	244,780	GF	70
Highway 41, Pedestrian Overpass, Asato	28	26,800	ARIA	70
Highway 35, Nakagusuku to Fu- tenma	4,643	495,500	ARIA	70
Highway 40, Shuri to Yonabaru	1,609	224,000	ARIA	70
Highway 41, Iso Interchange	457	1,334,000	GF	71
Highway 41, Iso to Highway 5	980	1,056,000	GF	71
Highway 41, Iso to Highway 5 (real estate)		1,030,000	GF	71



Pedestrian overpass, Asato Interchange



Highway 41--Ohira Interchange (above); Makabi Interchange (below)



Public Housing Development

While there is still a general shortage of adequate housing in the Ryukyu Islands, considerable progress has been made since the early 1960's when government and municipal housing programs were actively launched. Low-cost housing is provided under the municipal housing program, funded by either the United States or the Japanese Government, together with the GRI and the municipality involved. The Ryukyu Land and Housing Corporation (RLHC), a GRI instrumentality, provides intermediate-cost housing with funds provided by the United States, GRI, institutional loans, and corporate revenues. One of the major housing projects of the RLHC is the Tomishiro Danchi (housing development) in Tomigusuku-son, which, when completed in 1975, will contain 1,850 apartment units to accommodate 8,000 people. Contributions by the United States to this project through FY 1970 have reached just over \$1 million. (No contributions to public housing were made by the United States during FY 1971.)



Tomishiro housing project

During this reporting period, 300 apartment units were completed as follows:

<u>Housing Location</u>	<u>Apartment Units</u>	<u>Cost</u>	<u>Funding</u>	<u>FY</u>
TOTAL	300	\$1,354,323		
Koza	56	237,948	ARIA/GRI/Koza	70
Gushikawa	40	159,300	ARIA/GRI/Gushikawa	70
Kadena	24	105,000	ARIA/GRI/Kadena	70
Yonabaru	36	179,600	ARIA/GRI/Yonabaru	70
Chatan	12	65,525	ARIA/GRI/Chatan	70
Kin	12	46,600	ARIA/GRI/Kin	70
Tomigusuku, Part IV*	56	264,800	ARIA	70
Tomigusuku, Part V*	64	283,000	ARIA	70
Tomigusuku, Landscaping*		12,550	ARIA	70

*RLHC project.

CIVIC ACTION PROJECTS



Director H. W. Lombard of the USCAR Public Works Dept. (L) inspects completed sedimentation tank in Hoshino, Ishigaki Island



Excavation for a new water storage tank in Kabira, Ishigaki Island

Civic Action Program

This assistance program was commenced in FY 1970 with the objective of improving the people's standard of living through the construction and/or improvement of small but vital village facilities. Skilled manpower is provided by the 1st Civil Affairs Battalion of the 1st Special Forces Group, supported by medical, dental, and veterinary personnel from SAF-Asia. Funds to cover administrative and material costs are provided by USCAR, which has the responsibility of coordinating the operations of this program.

Military assistance continued to be very much in demand in the Sakishima area. During the year, 48 projects were undertaken and completed by civic action personnel under this program. Listed below are the details of the projects completed and costs of material.

	<u>MIYAKO</u>	
TOTAL		<u>\$24,036</u>
<u>Gusukube-cho</u>	Removal of rock outcrop	140
<u>Tarama Island</u>	Elementary school wall	3,000
	Supervision of construction of light aircraft strip	-
	Airstrip access road improvement	600
	Two public latrines	1,940
<u>Kurima Island</u>	Cover for cattle dip vat	70
	Construction of floating pier	315
	Public latrine	1,001
	Elementary school wall	1,250
<u>Ikema Island</u>	New water tank	1,767
<u>Ueno-son</u>	Village hall wall	2,200
	Elementary school wall	3,203
<u>Ogami Island</u>	Widening of road	607
<u>Irabu Island</u>	School storage shed	2,089
<u>Minna Island</u>	Construction of six water catch tanks	1,330
	Barbed wire fence	250
<u>Hirara-shi</u>	Construction of concrete benches at hospital	250
	Public latrines	1,088
<u>Medical/Dental Supplies</u>		1,900
<u>Veterinary Supplies</u>		1,036

YAEYAMA

TOTAL \$37,668

Ishigaki Island

Kuura	Cover for water source	175
Hoshino	Sedimentation tank	334
Ibaruma	Water storage tank	754
Hirano	Water system improvement	458
Hirakubo	Water system improvement	1,466
Akaishi	Water system improvement	552
Kabira	Water system improvement	841
Ozato	Water system improvement	1,434
Ozato	Central water system	7,881

Iriomote Island

Sonai	Drainage ditch	1,038
Shirahama	Bridge and retaining wall	615
Funauki	Drainage ditch and floodgate	1,489

Yonaguni Island

Sonai	Bridge expansion	692
	Baseball backstop	395
	New concrete bridge	380
	Portable baseball backstop	92
	Concrete block retaining wall	1,274
	Road improvement	1,700
	Village washing facility improvement	115

Kubura	Baseball backstop	415
	New sewage and drainage ditches	776
	Catch basin and cross culverts	170
	Concrete road surfacing	695
	School storage room	332
	Concrete boat ramp	445

Higawa	Portable baseball backstop	91
	Village hall improvement	538
	School wall improvement	404
	New school storage room	753

Taketomi Island

	Central water system	7,267
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Medical/Dental Supplies

2,597

Veterinary Supplies

1,500

PART III

SOCIAL DEVELOPMENT

CHAPTER 17

HEALTH, EDUCATION AND WELFARE

General Introduction

Fiscal Year 1971 ushered in a new phase of activity for the Department of Health, Education and Welfare (HEW), U.S. Civil Administration of the Ryukyu Islands (USCAR). With the reversion of the Ryukyu Islands to Japan scheduled for 1972, the concurrent commitments of planning for reversion and the execution of programmed mission requirements were successfully accomplished despite a large reduction of staff at the end of FY 1970. With the approach of reversion, and in line with the desires of the Government of Japan (GOJ) to assume a greater functional role in the social development of the Ryukyus, U.S. support in this area was reduced from \$8,736,379 in FY 1970 to \$2,111,982 in FY 1971, while Japan increased its support during this period from \$28.4 million to \$35.6 million. HEW continued to provide supervision over all U.S.-funded social development programs, plus those funded by the GOJ.

PUBLIC HEALTH

Introduction

Major activities of HEW during this reporting period were concerned with the preparation of reversion-related negotiating papers and assisting the Government of the Ryukyu Islands (GRI) health officials in preparing and changing health laws and regulations to conform with the national health laws of Japan. One of the most significant adjustments in the public health area which will be necessitated by reversion concerns the scope of health services to be rendered by the district health centers. Under current GRI law, the health center plays a most important role in the rendering of health care in the Ryukyu Islands. Under the guidance of USCAR, the GRI public health team (physicians, nurses, and technicians) has developed and carried out over the past 25 years a most effective program of disease detection, prevention, and control under central government direction and supervision. The major communicable diseases, such as tuberculosis, malaria, Japanese "B" encephalitis, filariasis, and leprosy which were rampant in the Ryukyu Islands at the end of World War II, have either been eliminated, as in the case of malaria, or drastically reduced or controlled.

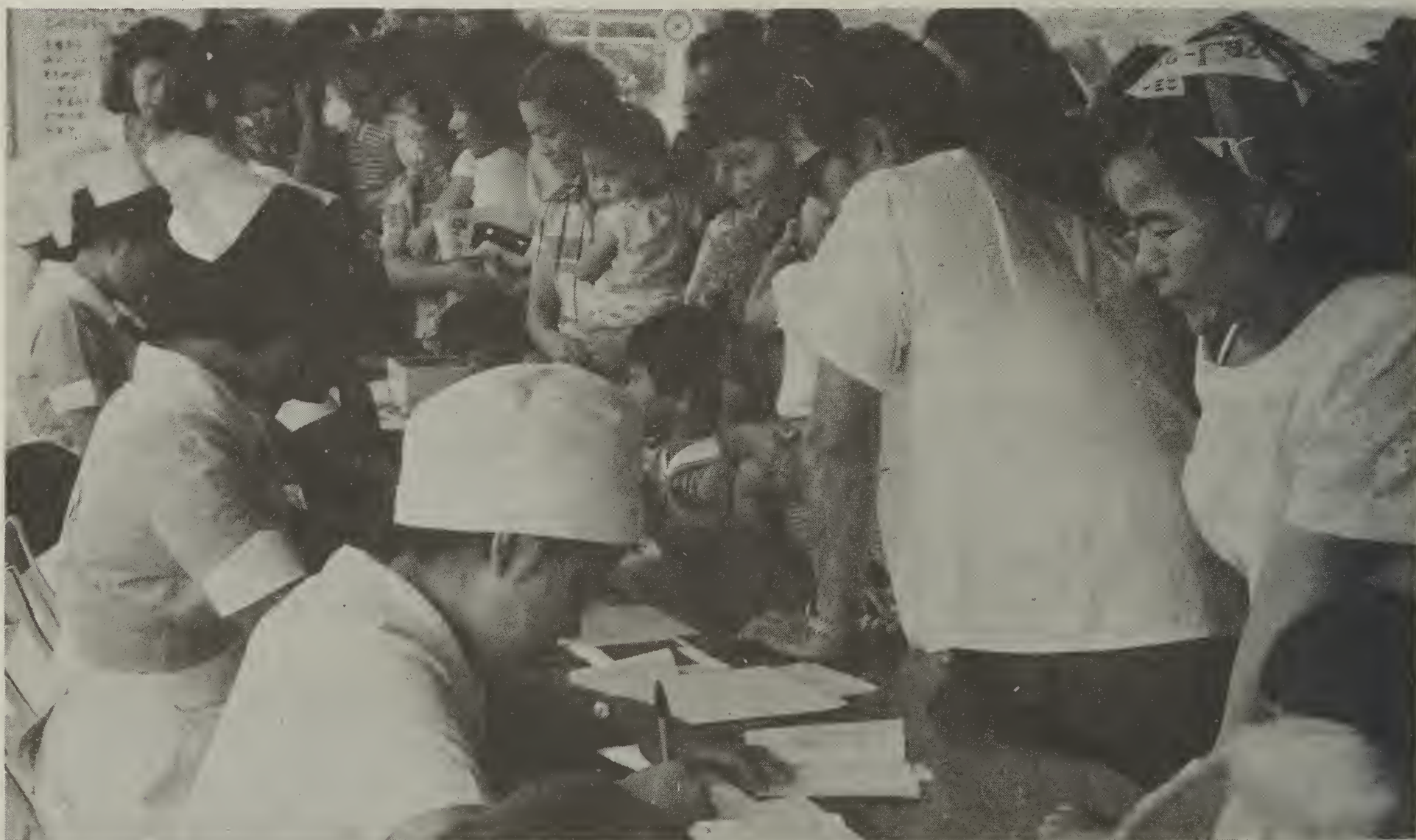
The principal factors contributing to the achievement of these successes were: the continuous upgrading of the public health team's competence and the vigorous execution of programs of detection, surveillance, and treatment of communicable diseases without cost to the individual patient. The role of the health center under Japanese law is one of detection and prevention only, and outpatient and supervised home care is not provided. Under the Japanese system, a patient with a communicable disease normally

goes to his family physician for treatment. This practice has proved acceptable in Japan since the prevalence of communicable diseases, especially insect-borne diseases, is much lower due to climatic conditions. The Ryukyus, on the other hand, are in a tropical climate and are subject the year round to vector-borne and other communicable diseases endemic to tropical zones. In addition, the Ryukyuan rural population, which is most subject to these diseases, is also least able to afford proper, but expensive medical care. Although the GRI is seeking GOJ support for the continuation of the current health center program, it holds little hope of gaining approval.

Disease Control

All existing programs for the control of communicable diseases were continued by the GRI throughout the year. The downward trend of infectious diseases in the Ryukyu Islands in recent years was again evident in this reporting period, attesting to the effectiveness of the disease control and immunization programs as well as the general improvement in the living conditions of the people.

U.S. aid for disease control in FY 1971 amounted to \$512,000. This was expended for insect and rodent control; medications for filariasis, tuberculosis, and venereal disease treatment; and for measles and polio vaccine for youngsters between the ages of one and two.



Ryukyuan mothers and fathers register for anti-measles shots for their children in the lobby of the Naha City Office



High Commissioner Lampert inspects construction of one of the three wash and shower houses at Airaku-en

Medical Facility Construction

Hospitals and Health Centers

No U.S. funds were expended for hospital or health center construction in FY 1971. Construction of the GOJ-funded 400-bed hospital in Naha, which started in FY 1969, continued on schedule and will be completed in December 1971. It is estimated that the time necessary to equip and staff the hospital will delay the formal opening until early April 1972.

Leprosaria

Final U.S. aid in the amount of \$107,000 was obligated for the construction of a number of new facilities at the two leprosaria in the Ryukyus. The largest, Airaku-en, which was destroyed during the war, has been completely rebuilt, with over 80 percent of the cost of rebuilding provided by the United States. During this fiscal year, a new power station, septic tank for the hospital, drainage system, and road improvements were completed. A similar program, less the power transformer station, was also carried out at the smaller leprosarium, Nanseien, on Miyako Island.



Physicians completing their postgraduate training at the Okinawa Central Hospital are honored in a ceremony held on 28 April 1971



Dr. Arthur T. Ooghe (R), University of Hawaii, discusses a case with Dr. Hiroshi Ikehara, intern, Okinawa Central Hospital

Health Training and Education

Postgraduate Medical Training Program

U.S. sponsorship of the postgraduate medical training program at the Okinawa Central Hospital ceased on 30 June 1971. This program, conducted by the University of Hawaii under contract, was inaugurated on 1 April 1967 with an initial class of five Ryukyuan and three Japanese graduates of Japanese medical schools. Since then, the program has provided a 1-year internship for 46 physicians and a 2-year residency for 32 of those completing their internship and has gained recognition as the most significant advancement in clinical medicine in the history of the Ryukyu Islands. The program will continue until April 1973 under joint GRI-GOJ sponsorship, with the University of Hawaii under contract to the GRI.

World Health Organization (WHO)-Sponsored Training Activity

Out-of-country fellowships and seminars. USCAR coordinated a WHO-sponsored program of assistance which provided fellowships for 14 Ryukyuan health workers during FY 1971 in the fields of public health, maternal and child health nursing, health planning, and nursing education. The training was conducted in Japanese, British, and European health training centers.

In-country consultants. WHO provided three teaching consultants from Japan to the University of the Ryukyus College of Health Science for periods of 6 weeks to 3 months to augment the staff of the departments of nursing, health statistics, and medical electronics. A U.S. consultant in health science curriculum planning was also provided to develop course criteria which will offer baccalaureate training in all areas of health science.

U.S. Military-Sponsored Training

There were no U.S.-funded health training programs in FY 1971; however, training workshops for nurses were continued in GRI hospitals and health centers. The University of Hawaii, USCAR HEW, and U.S. Army Medical Center staff joined forces to conduct workshops in team nursing techniques, health education, and home care management of TB patients.



Dr. John I. Bruce, parasitologist, 406th Medical Laboratory in Camp Zama, Japan, shows a group of Ryukyuan laboratory technicians how to identify parasites

Sanitation

The lack of public awareness and willingness to support the development of improved sanitation facilities, together with the poor enforcement of sanitation laws and practices for water sanitation and disposal of human waste, has been one of the chief obstacles to the elimination of waterborne diseases. Salmonella-Shigella and viral dysentery continued to be the principal waterborne diseases in areas of poor water and sewage sanitation. In such areas, conditions could support the spread of cholera and typhoid fever, which have thus far been successfully prevented through close quarantine surveillance of visitors from cholera and typhoid endemic areas and immunization of the population in areas of dysentery outbreaks. A continued program of improvement of sanitary water supply systems and sewage disposal facilities, coupled with a vigorous health education program, is expected to significantly reduce the waterborne disease incidence rate in the Ryukyu Islands in future years.

EDUCATION ACTIVITIES

General

With the exception of the Ryukyuan Scholarship Program, all other USCAR-sponsored technical, on-the-job, and third country training programs for Ryukyuan trainees as well as aid for, and active participation in, GRI education policies and activities were terminated as of the close of FY 1970. (For a comprehensive analysis of previous USCAR-sponsored training programs and the organization and operation of the GRI public school system and higher educational institutions in the Ryukyu Islands, see pages 186 through 199, Volume XVIII, U.S. Civil Administration of the Ryukyu Islands Report.) Major emphasis of the GRI Education Department during this reporting period was placed on the development of new laws, regulations, and policy in preparation for the reversion of the islands to Japan.

Ryukyuan Scholarship Program

The enrollment of the last 52 Ryukyuan students in U.S. universities under the Ryukyuan Scholarship Program was accomplished in July and August 1970. These students, plus 37 others previously enrolled, will be sponsored to the completion of their degree programs. There were 44 graduate and eight undergraduate candidates selected for enrollment in FY 1971. The new graduate students will complete their studies by June 1973 and the undergraduates, by June 1974. This will formally close out the U.S.-sponsored scholarship program.

English Language Center (ELC)

FY 1971 was the final year of U.S.-funding support for the operation of the English Language Center which has been operated by USCAR since its establishment in 1963. ELC programs during the year included a 10-month

seminar for Ryukyuan junior high and senior high school English teachers, special courses in conversational English to meet the needs of local businessmen and employees of the U.S. military, and a 9-month course for GRI and municipal government workers. Financial support for these programs was provided from the USCAR General Fund.

Over the years, more than 1,200 persons have participated annually in one or more of the 14 different English language programs offered by the ELC. When notified by USCAR that U.S. operation of the center would be discontinued effective 30 June 1971, GRI requested and was granted authority to operate the center from 1 July 1971 to 30 June 1972 and/or until reversion. This operation will be on a reduced scale and will include special courses for the teaching staff and students from local high schools and universities and for local government employees. The U.S. Forces will conduct their own language programs for their employees.

Schools

As of 1 May 1971, there were 683 government, public, and private schools in the Ryukyu Islands. A breakdown of these schools is given below:

	<u>Government</u> <u>1/</u>	<u>Public</u> <u>1/</u>	<u>Private</u>	<u>Total</u>
Universities	1	-	2	3
Junior Colleges	1	-	4	5
Special Schools	6	-	-	6
Senior High Schools <u>2/</u>	39	-	4	43
Senior High School Correspondent	1	-	-	1
Junior High Schools	3	148	1	152
Elementary Schools	2	240	2	244
Kindergartens	-	132	21	153
Nursery Schools <u>3/</u>	-	54	22	76
Total				<u>683</u>

1/ The Central Board of Education is the jurisdictional body controlling government schools, while other public schools are under the operational control of 59 elected municipal school boards organized into six union districts headed by superintendents of education.

2/ Effective 1 May 1971, all trade and vocational schools officially became senior high schools.

3/ Nursery schools listed here are licensed by the GRI. There are a few other unlicensed nursery schools in operation in the Ryukyus.

Enrollments

The total number of students enrolled in elementary, junior and senior high schools, junior colleges, and universities in the Ryukyu Islands on 1 May 1971 was 270,800. Enrollments were divided as follows:

	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Elementary	144,781	141,989	139,010	137,330	133,495
Junior High Schools	79,931	77,756	75,931	72,951	71,882
Senior High Schools	50,532	53,412	54,271	54,653	54,485
Special Schools <u>1/</u>	695	819	903	949	946
Public Vocational Schools	704	1,067	1,378	571	-
Junior Colleges	1,493	1,937	2,530	2,806	2,772
Universities	<u>5,402</u>	<u>6,309</u>	<u>6,924</u>	<u>7,037</u>	<u>7,220</u>
Total	283,538	283,289	280,947	276,297	270,800 <u>2/</u>

1/ One school for the blind, one for the deaf, and four (including one branch school) for the physically handicapped.

2/ This total does not include 16,981 kindergarten pupils, 5,117 children enrolled in 76 registered nursery schools, 89 Ryukyuan students studying at colleges and universities in Hawaii and in the continental United States under the U.S.-funded Ryukyuan Scholarship Program, and 1,203 students enrolled in schools in Japan under GOJ-sponsored scholarships.

WELFARE ACTIVITIES

General

The U.S. Civil Administration continued to assist and advise the GRI Welfare Department in all areas of social welfare during FY 1971. USCAR was most active in providing advice concerning improvements in the administration of relief programs for needy families, child welfare, and welfare for the aged; assistance to homes for the mentally retarded and physically handicapped; and coordination of private donor agency assistance, both to needy families and to health and welfare institutions.

GRI-Administered Welfare Relief Programs

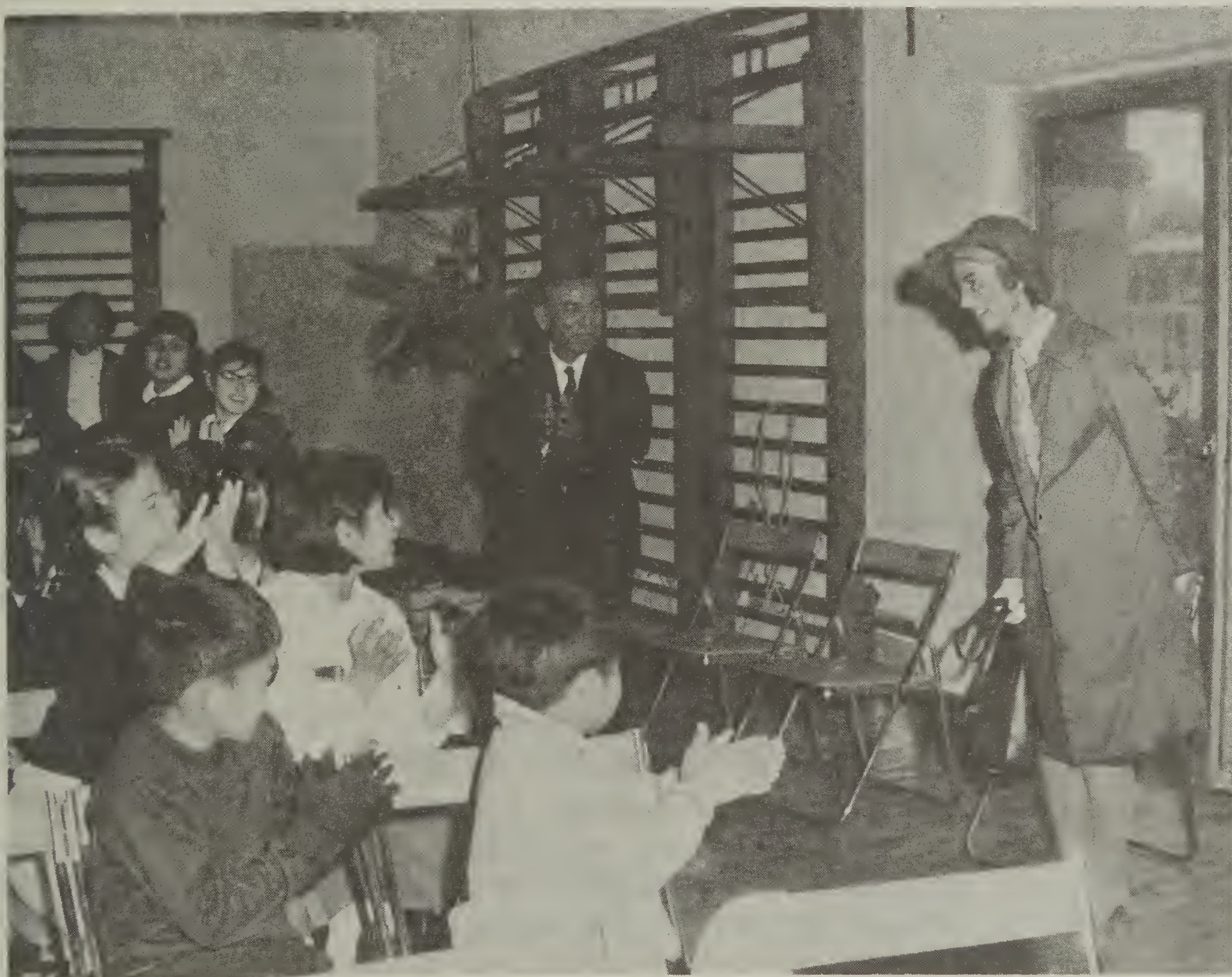
With increased GOJ assistance, the GRI continued to improve welfare facilities and develop rehabilitation programs for the physically and mentally handicapped during the year. Mother-child care and feeding for low-income and destitute families were increased, and additional child care centers were provided to assist working mothers. A new 51-bed dormitory was constructed at the mentally retarded children's home in southern Okinawa; and a modern home for the aged, the Nago Kosei-en Aged and Relief Home, commenced operations during this reporting period. Home visit casework was also expanded with the employment of additional social workers.

Contributions to Welfare by Private Donor Agencies

The Ryukyuan-American Welfare Council (RAWC) was active during FY 1971 and channeled more than \$125,000 in donations from its member agencies to welfare recipients. RAWC membership includes representatives of military and civilian women's clubs, the Veterans of Foreign Wars, American

Legion, and other fraternal orders. Monthly meetings of the council are chaired by the HEW officer, USCAR. All requests for assistance to health and welfare institutions, needy persons, and for disaster relief are channeled through the RAWC chairman for investigation and presentation to the donor representatives for consideration by their club memberships. When a request for assistance is approved for support by a donor agency, HEW coordinates implementation. Funds are raised from gift shop operations and membership dues.

A few of the more significant contributions made by private donor agencies during FY 1971 were: \$25,000 to the Anti-Tuberculosis Association (a nonprofit organization) for the construction of a new wing to provide additional chest X-ray facilities and expansion of its laboratory, and \$20,000 to the International Social Service Association (\$12,000 for its building fund and \$8,000 to augment its operating budget). Other contributions went to the support of Ryukyuan orphanages and homes for the aged, the U.S. Forces Summer Youth Hire Program for 14-16-year-old American dependents, American and Ryukyuan Boy and Girl Scout programs, as well as to provide special equipment for three Rubella-handicapped children's education centers in the Ryukyus.



Mrs. James B. Lampert, wife of the High Commissioner, is welcomed by children of the Kagamigaoka Yogo Gakko (school for physically handicapped children)

FOOD FOR PEACE PROGRAM
(PL 480, Title II)

Introduction

The PL 480, Title II, Food for Peace Program for the Ryukyu Islands for FY 1971-72 was approved in FY 1970 and was designed to provide a transition from a program formerly administered by voluntary agencies to a government-to-government (U.S.-GRI)-operated program until its termination upon the reversion of the islands to Japan. All feeding programs, except those for needy families, were continued through FY 1971. The mother-child and institutions feeding programs were funded through 30 June 1971 by the U.S. Government and will now be continued under GRI sponsorship. The remaining program, the school lunch program, will be funded by the United States until reversion.

FY 1971-72 Program Execution

The program approved for FY 1971-72 included 14,000 recipients in the mother-child, health and welfare institutions feeding programs and approximately 241,000 children in the school lunch program, with a total of 17,106 metric tons of Title II commodities to be provided for this 2-year transitional period. Termination of Title II support for the mother-child and institutions feeding programs at the end of FY 1971 had little impact. The lead time provided by the announcement in early 1969 of the planned termination was adequate to permit the GRI Welfare Department to budget for the continuation and expansion of this program.

The GRI, with U.S. assistance under the Food for Peace Program, has made remarkable progress in the establishment of a permanent school-feeding system. The ultimate goal is to increase the number of complete meals served to cover 100 percent of the kindergarten, primary, junior high, and night high school students throughout the Ryukyu Islands. Currently, 74.7 percent of these students receive complete meals, while the other 25.3 percent receive bread and milk only. The School Lunch Society, a quasi-governmental organization funded by the GRI, is taking the lead in pushing the school lunch program under the supervision of the GRI Education Department.

Continuation of the U.S. contribution to the school lunch program until reversion is necessary to assure continuity of the program during the period of transition from U.S. to Japanese responsibility. Japan is prepared to support the program following reversion. USCAR will continue to provide technical guidance and appropriate surveillance for the final phase of the Food for Peace school lunch program in FY 1972.

CHAPTER 18

LABOR

LABOR-MANAGEMENT RELATIONS - U. S. FORCES

General

FY 1971 was a year of budget cuts and retrenchment for the U.S. Forces in Okinawa, necessitating reductions-in-force (RIFs) and reductions-in-hours for U.S. Forces Ryukyuan employees. Unfortunately, the inevitable consequence of budget reductions was difficult for the workers to accept as it clashed with the time-honored Japanese concept that an employer, in giving employment to an individual, acquires a continuing liability for the employee's welfare which cannot be shed merely at his convenience. Furthermore, for many of the U.S. Forces employees, the poor prospect of maintaining their present standard of living on the local economy presented a formidable problem.

Under these circumstances, the Ryukyuan employees were necessarily deeply disturbed by the U.S. military's RIF actions and resisted them through their union by every means available. For the most part, this meant resorting to work stoppages when negotiations with and petitions to the U.S. Civil Administration of the Ryukyu Islands (USCAR) and the Joint Services Labor Committee (JSLC) failed to produce the desired results.

U.S. Forces Employees

The first such walkout was in reaction to a U.S. Forces announcement on 31 July 1970 of reductions-in-force and work-hour curtailment (from 48 to 40 hours per week). The All-Okinawa Military Employees Trade Union (ZENGUNRO) promptly threatened to strike. Repeated meetings were held by the USCAR Labor Department and JSLC with the union leaders, but the union remained adamant. The chairman of ZENGUNRO, Kosuke Uehara, was, at that time, a candidate for election to the Japanese Diet on the Socialist Party ticket; and the pronouncements of the union leadership before and following the strike were oriented more toward political than strictly union issues.

The 48-hour work stoppage was conducted on 10 and 11 September 1970. Picketing was more restrained than in previous walkouts with fewer instances of violence directed at American personnel. It was effective, however, in preventing Ryukyuan employees from reporting to work. A few supervisory and maintenance personnel, security guards, and fire-fighters were permitted entry by the union. The absentee rate of

Ryukyuan employees was 62 percent, substantially the same as in the preceding 5-day walkout in late January 1970. Most of those who were at work remained on base overnight, thus avoiding the problem of getting in through the gates.

In all, 52 gates were picketed by 2,400 union members and supporters from the Okinawa Prefectural Council of Trade Unions (KENROKYO), the Okinawa Teachers Association, and other leftist organizations. Essential military services, including commissaries, post exchanges (PXs), and clubs, were kept operational through the temporary employment of 613 American dependents.

With subsequent announcements by the military of further RIFs and work-hour reductions, pressure mounted for another walkout early in 1971. The union, now under new leadership (with the election of Kosuke Uehara to the Diet), began talking about a series, or "waves," of work stoppages to demand the retraction of the RIF notices and payment of separation allowances comparable to those paid to U.S. Forces employees in Japan under the Master Labor Contract. On 9 February 1971, the day before the scheduled 48-hour walkout, the Government of Japan (GOJ) announced that a special solatia of \$1.75 million would be made available to make up the difference in allowances; however, this action did not persuade ZENGUNRO to cancel its plan.

Throughout this period, there was much talk of a possible confrontation erupting between certain business enterprisers and the unionists during the "strike," particularly at Kadena Gate No. 2, the main gate leading from Kadena Air Base into the downtown business area of Koza which is heavily patronized by American personnel. The concern of the business community stemmed directly from the practice of the U.S. Forces of imposing "Condition Green" during periods of strikes and civil disturbances, which restricts U.S. Forces personnel to military installations, thus causing serious financial losses to many of these enterprisers. In the face of this threat of violence, the U.S. Forces announced that Kadena Gate No. 2 would be closed during the work stoppage. This made it possible for ZENGUNRO to withhold all its pickets from this gate, thus defusing the planned action of the business community.

As scheduled, the "first-wave" walkout was carried out on 10 and 11 February 1971, with 44 gates being picketed by 2,620 ZENGUNRO members and sympathizers. At Kadena Gate No. 3, the pickets managed to seal the gates to all traffic despite the combined efforts of the GRI police and the Ryukyuan security guards to clear a passageway. This gate was later reopened by American troops. Absenteeism during the 2 days ran 79 percent. All American schools were closed to avoid any possible risk of injury to the children despite the willingness of the Ryukyuan bus drivers (non-ZENGUNRO members) to work. Several hundred American dependents were employed temporarily to operate commissaries, PXs, and clubs; and all essential services were maintained.

ZENGUNRO scheduled its "second wave" for 2 and 3 March 1971. The USCAR Labor Department held repeated meetings with the union leadership in an attempt to dissuade them from calling the walkout. During these meetings, it was pointed out that the rescission of personnel reductions in the face of budget cuts made in Washington was not possible but that every effort was being exerted to minimize reductions through reassignment of these workers to other U.S. installations; that the union should give due consideration to the fact that such work stoppages could only result in the loss of work and pay for the employees and that the risk of violence engendered by these walkouts was a serious problem which could be detrimental to both sides. Despite this effort, the union proceeded with its plan.

On 2 and 3 March, approximately 2,500 pickets were stationed at 36 gates to U.S. Forces installations. Ryukyuan employee absenteeism ran 68 to 69 percent, about 10 percent less than during the "first wave." As in the previous walkout, Kadena Gate No. 2 was closed due to threatened hostility between ZENGUNRO and the Koza business community. ZENGUNRO concentrated its pickets at Kadena Gate No. 3, which it succeeded in closing three times. U.S. Forces personnel were called upon to reopen the gate each time in the face of rocks, bottles, and bamboo poles used by the pickets as weapons. Thirteen Americans and 13 GRI police officers were injured, none seriously. At Naha Port, pickets managed to close the gate at one time, driving American personnel back with rocks and bottles; however, the GRI police were successful in reopening the gate. A similar situation occurred at the Chibana Ordnance area, and high pressure fire hoses had to be used to clear the gateway.

Following the end of the "second-wave strike," union leaders held a rally at which they announced that the U.S. Forces had been dealt a "heavy blow" and that the strike was a complete success. This evaluation was, perhaps, based on the fact that the U.S. Forces were able to reduce the number of involuntary RIF actions through attrition and placement in new job openings. Nevertheless, the basic problem of involuntary separations made necessary by budget cutbacks still remained.

The union soon began planning for its "third wave" on 14 and 15 April. KENROKYO and the Okinawa Teachers Association jointly announced their plans for a general strike in conjunction with ZENGUNRO's action on the 15th. The purpose of the general strike, in addition to supporting ZENGUNRO, was to express dissatisfaction with the U.S.-Japan negotiations on the reversion agreement. The All-Japan Garrison Forces Workers Union (ZENCHURO), the U.S. Forces employees' union in Japan, announced a 4-hour work stoppage in sympathy with ZENGUNRO.

The walkout was carried out as planned on 14-15 April 1971. The peak absenteeism rate was 76 percent among Ryukyuan employees. Picketing was very heavily concentrated at Kadena Air Base, particularly Gate No. 2, where radical students, combined with certain ZENGUNRO elements,

provoked an altercation with the GRI police causing minor injuries to 47 GRI police officers. Despite rumored threats on previous occasions, no overt opposition was seen from the Koza business community.

KENROKYO's call for a "unified action strike" with ZENGUNRO on the 15th resulted in only about one-third of the non-ZENGUNRO membership of the federation actually going on strike. However, the Government Employees Labor Union (KANKORO) was successful in bringing the operations of the Government of the Ryukyu Islands (GRI) to a standstill. Although the contractor-employed drivers of American school buses were not on strike, the schools were closed to prevent possible incidents. Commissaries, PXs, clubs, and essential services were again manned by American temporary workers.

The next action by ZENGUNRO took place on 19 May 1971. This was not part of the wave cycle but was in support of a "unified general strike" called by the Okinawa Prefecture Reversion Council (FUKKIKYO) and supported by KENROKYO and other leftist organizations in protest against the reversion negotiations. Approximately 20,000 persons attended the main rally held at Yogi Park, Naha, following which an estimated 14,000 participated in a march from the rally site to USCAR on Highway 1. All schools were closed--the local schools by the Okinawa Teachers Association and the American schools by ZENGUNRO's refusal to allow the school buses to pass through its picket lines. Nearly all of the gates to the U.S. Forces installations, including housing areas, were picketed; however, the concentration of strength was at Kadena Gate No. 2, Naha Port, and the Machinato Service Area. Radical students hurled rocks, bottles, and firebombs at these three sites, disrupting traffic for approximately 2 hours. A few rightwingers opposed to the demonstration destroyed a KANKORO-owned loudspeaker system and harassed pickets at other sites; but they were far too small in number to make a substantial impact. Although the affair was described as a "general strike," the Japan Confederation of Labor (DOMEI) unions and many of the KENROKYO-affiliated unions did not participate. U.S. Forces Ryukyuan employee absenteeism averaged 72 percent.

Following the "general strike," there was talk in ZENGUNRO of returning to its wave pattern, with a "fourth wave" planned for June. A series of talks were conducted by the USCAR Labor Department with the union leaders, at which time it was brought to the union's attention that the continuation of these stoppages was delaying the spring struggle negotiations for wage and other increases for the next fiscal year and jeopardizing whatever benefits that could be gained through these negotiations. This line of reasoning finally prevailed, and the first meeting for the discussion of "spring struggle" demands was held between ZENGUNRO and JSLC on 22 June 1971. Within a week, an agreement was reached on one of the most important issues, a separation pay package. Settlement of the base pay increase was still pending as of the close of this reporting period.*

*On 16 August 1971, a new wage package to include the "U.S. Forces Okinawa Differential" was agreed upon, retroactive to 1 July 1971.

Ryukyuan Employees of U.S. Forces
Hourly Wage Rates
 (Minimum and Maximum)

<u>Date</u>	<u>Rates</u>		<u>Index</u>	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
22 Mar 46 -- 19 Aug 46	\$0.04	\$0.15	100.0	100.0
20 Aug 46 -- 30 Nov 46	0.04	0.20	100.0	133.3
1 Dec 46 -- 8 Dec 46	0.05	0.12	125.0	80.0
9 Dec 46 -- 14 Apr 47	0.05	0.20	125.0	133.3
15 Apr 47 -- 28 Feb 48	0.05	0.17	125.0	113.3
1 Mar 48 -- 23 Jan 49	0.02	0.06	50.0	40.0
24 Jan 49 -- 2 May 49	0.05	0.08	125.0	53.3
3 May 49 -- 11 Apr 50	0.04	0.40	100.0	266.7
12 Apr 50 -- 4 Jun 51	0.07	0.28	175.0	186.7
5 Jun 51 -- 15 Feb 52	0.07	0.23	175.0	153.3
16 Feb 52 -- 9 May 52	0.08	0.20	200.0	133.3
10 May 52 -- 15 May 52	0.08	0.23	200.0	153.3
16 May 52 -- 9 Apr 53	0.07	0.23	175.0	153.3
10 Apr 53 -- 25 Jan 54	0.08	0.20	200.0	133.3
26 Jan 54 -- 2 Mar 54	0.08	0.28	200.0	186.7
3 Mar 54 -- 15 Mar 56	0.08	0.20	200.0	133.3
16 Mar 56 -- 9 Jul 57	0.09	0.33	225.0	220.0
10 Jul 57 -- 27 Apr 61	0.12	0.91	300.0	606.7
28 Apr 61 -- 30 Oct 62	0.14	1.09	350.0	726.7
31 Oct 62 -- 28 Feb 65	0.16	1.11	400.0	740.0
1 Mar 65 -- 30 Jun 65	0.20	1.44	500.0	960.0
1 Jul 65 -- 30 Jun 66	0.20	1.545	500.0	1,030.0
1 Jul 66 -- 30 Jun 67	0.25	1.655	625.0	1,103.3
1 Jul 67 -- 30 Jun 68	0.295	1.84	737.5	1,226.7
1 Jul 68 -- 30 Jun 69	0.38	2.01	950.0	1,340.0
1 Jul 69 -- 30 Jun 70	0.445	2.575	1,112.5	1,716.7
1 Jul 70 -- 30 Jun 71	0.535	2.665	1,337.5	1,776.7
1 Jul 71 -- Present	0.60	2.775	1,500.0	1,850.0

Conversion Rates (Okinawan Yen)

Sep 45 -- ¥ 15 to \$1.00

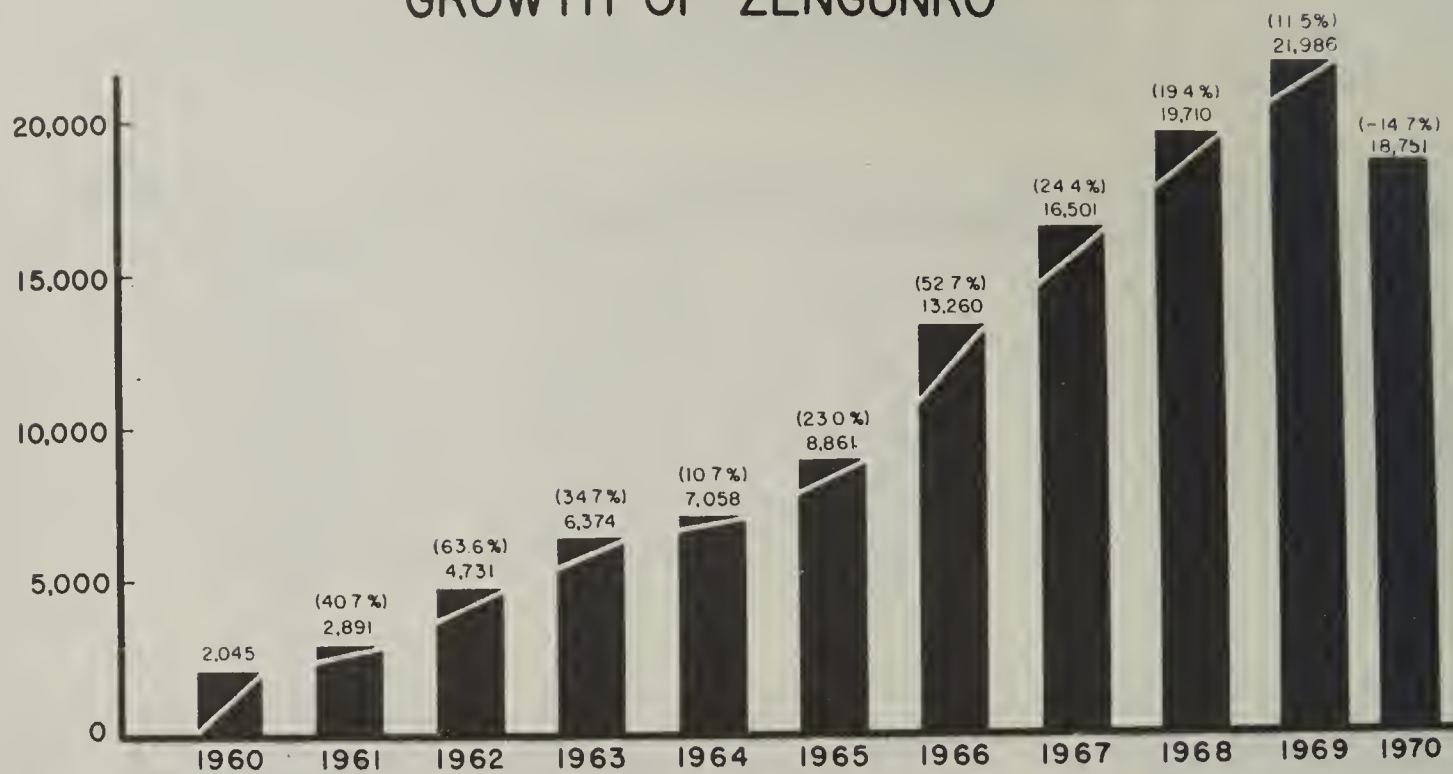
Mar 47 -- ¥ 50 to \$1.00

Apr 50 -- ¥120 to \$1.00

Sep 58 -- Yen Abolished

Note: Rates shown are base wages to which bonuses, allowances, etc., must be added to derive total pay. However, the wage shown starting 1 July 1971 includes the "U.S. Forces Okinawa Differential."

GROWTH OF ZENGUNRO



1960 4 SEPARATE MILITARY EMPLOYEES' UNIONS.

1961 9 SEPARATE MILITARY EMPLOYEES' UNIONS. FED. OF ALL OKINAWA MILITARY EMPLOYEES' UNION (ZENGUNROREN) ORGANIZED.

1962 12 SEPARATE MILITARY EMPLOYEES' UNIONS.

1963 ZENGUNRO (ALL OKINAWA MILITARY EMPLOYEES' LABOR UNION) ORGANIZED BY 11 LABOR UNIONS. AF LABOR UNION PARTICIPATED AS AN OBSERVER.

1964 AF LABOR UNION JOINED ZENGUNRO

USCAR Labor Department
25 February 1971

As shown above, ZENGUNRO membership as of 31 December 1970, stood at 18,751, the first decline since the establishment of the union. This was attributed in part to the overall decline in U.S. Forces employment, although the rate of decrease in membership was comparatively higher than the drop in total employment.

The 21st ZENGUNRO convention was held in Naha on 9-10 January 1971. Isamu Yoshida, former vice chairman, was elected as the new chairman to succeed Kosuke Uehara, and the following struggle objectives were adopted unanimously by the convention: the retraction of all RIFs and work-hour reductions; attainment of a 6 months' notice prior to separation; opposition to the contract system (labor service contracts); and increased allowances and benefits for separated employees.

Service Contractors

On 1 July 1970, a contract for custodial and janitorial services at Naha and Kadena Air Bases was awarded on a basis of a low bid to the Okinawa Services Company, a new Ryukyuan firm without any prior business experience. The contractor took over the employees of the predecessor company but, without consultations with the employees, reduced their wages. Approximately 200 members of ZENGUNRO were involved. The wage cut created a great deal of resentment, which was further aggravated by the inability of the company to meet its payroll on schedule. Union leaders who attempted to discuss the matter with the contractor found him very difficult to contact. Furthermore, it was brought to light that, although unemployment and medical insurance premiums had

been withheld from the employees' wages, the contractor had failed to deposit these premiums with the GRI. This matter was taken up by USCAR with the GRI, with the request that necessary measures be taken to collect all social insurance premiums due. Strained labor-management relations reached a critical stage on the issue of year-end bonuses, with the contractor offering far less than other employers. The union finally resorted to a strike on 14-15 December. The employees returned to work when the contractor agreed to pay each employee a bonus amounting to 190 percent of a month's pay; however, as the year ended, no bonus had been paid. The company also remained delinquent in the payment of its 1970 wages and social insurance premiums. Finally, on 26 February 1971, the union announced an indefinite strike to demand the cancellation of the company's contract by the military and replacement by some other company financially capable of meeting its payroll and other obligations. With the contractor no longer able to provide services, procedures for a replacement were initiated by the Air Force in early March. Subsequently, on 22 March 1971, the employees returned to work under a new contractor.

Military Port

Spring struggle negotiations were commenced between the Kokuba Stevedoring Company, a U.S. Forces contractor, and the Military Port Workers Labor Union (GUNKOWANRO) in March 1971. The union's demands were high, and it was apparent early in the negotiations that settlement would not be easily reached. The atmosphere at the relatively few negotiating meetings was very hostile. Late in April, the union resorted to slowdown tactics, with only a restricted number of stevedores reporting for work. The union announced that it would call a full and long-term walk-out commencing on 1 May 1971; however, the USCAR Labor Department was able to persuade the union to postpone its action. Major demands of the union were: wages equivalent to those of direct-hire workers, increased workmen's compensation and other benefits, larger work gangs, guaranteed annual wage, and recognition of all prior service back to 1952 in computing separation allowances. (Although some stevedores have worked for the U.S. Forces for as long as 20 years, the Kokuba Company's contract has been in effect for only the last 7 years; and, accordingly, these employees have been credited with only 7 years of service.)

At a meeting with the USCAR Labor Department on 6 May 1971, the union leaders, after reciting a long list of grievances, announced that their prime objective was to have the U.S. Forces replace the Kokuba Stevedoring Company with some other firm. On 13 May, the union renewed its slowdown tactics, reducing operations to about one-fourth the normal level. At the same time, the union announced that it would participate in the 48-hour general strike planned by FUKKIKYO and KENROKYO on 19 May 1971. The company retaliated by locking out union employees, and the union responded by scheduling a 5-day work stoppage commencing on the 15th. Two days later, the company announced the discharge of the union chairman effective 14 May for engaging in an unauthorized "strike." On the fifth day of the walkout, the union announced that the "strike"

would be extended indefinitely, while passing the word that work would be promptly resumed if a new contractor were selected. The Kokuba Company was given a 10-day default notice in writing, but the contract was not cancelled. No labor-management negotiation meetings were held during May; the company refused to recognize Kakichi Matsudo (GUNKOWANRO chairman) as the union spokesman, and the union held fast to its position that it would negotiate only when a new contractor was appointed. Early in June, under strong pressure from the U.S. Forces, the company made an offer to resume negotiations but received no response from the union. This was followed by another letter offering to reconvene the bargaining sessions, coupled with a limited offer to raise wages somewhat higher than it had previously proposed. However, the union refused to accept the letter.

The USCAR Labor Department maintained a dialogue with both sides during this period and even solicited the help of KENROKYO to persuade the union to soften its position; but the KENROKYO officials reported that, despite intensive attempts, they were unable to influence the union leaders.

As of the end of this reporting period, negotiations had not been resumed between the union and the company, and settlement of the dispute in the immediate future appeared very remote.

LABOR-MANAGEMENT RELATIONS - PRIVATE INDUSTRY AND GRI

Okinawa Morning Star

The labor dispute involving the Okinawa Morning Star, an English language daily, commenced in April 1970 when the management undertook to reduce operating costs through substantial personnel reductions. The union objected and struck on 16 April, disregarding the company's warning that, if the employees went on strike, they would be considered as having resigned. The union took the stand that this warning was tantamount to firing them for engaging in legitimate union activities and, as such, was illegal under GRI law. Accordingly, the union demanded full pay for the period they were without work.

On 2 December 1970, the company officially notified the GRI by letter that it was no longer in business and returned its investment license. This letter was rejected by GRI authorities on the ground that it was improperly addressed; and the company made no attempt to resubmit it. Despite several reports from the management of threats of violence on the part of the union during the month of December, there reportedly was only one case of actual violence involving a Ryukyuan management official who refused to file a complaint with the police.

Although no consistent interest was shown by either the union or management to negotiate, repeated attempts were made by the GRI Central Labor Relations Board to bring the parties together. These efforts finally culminated in a settlement, and an agreement was signed in February 1971. In this agreement, the union conceded on the matter of personnel reductions,

while management agreed to wage and other benefits. Publication of the Morning Star was resumed on 23 February 1971.

Okinawa DOMEI

With the takeover of control of KENROKYO by leftist leaders in October 1969, it was inevitable that the more moderate unions would eventually secede from the federation.

On 19 July 1970, the DOMEI District Council for Okinawa was officially inaugurated with the assistance of DOMEI leaders from Japan. Participating in the meeting were Takumi Shigeeda, secretary general, DOMEI (Japan); Ryosaku Sasaki, secretary general, Japan Democratic Socialist Party; Tsumichiyo Asato, chairman, Okinawa Socialist Masses Party; and the following 12 DOMEI-affiliated unions with 6,000 members: the Okinawa Branch of the All-Japan Seamen's Union (KAIIN), All-Okinawa Electric Power Workers Union (OKIDENRO), Okinawa Branch of the Federation of All-Japan Prefectural and Municipal Workers Union (JICHIREN), Okinawa Branch of the Japan Federation of Textile Workers Union (ZENSEN DOMEI), Kokuba Plywood Labor Union, Ryukyu Hi-Sonics Labor Union, Overseas Immigration Corporation Labor Union, Okinawa Plywood Labor Union, Seamen's Club Labor Union, Tomari Laundry Labor Union, Bireley's Labor Union, and Pepsi-Cola Labor Union. Seven other unions with 3,000 members, supporting future affiliations with DOMEI, also sent observers. Elected chairman of the Okinawa DOMEI was Shohan Nakada, chairman of KAIIN.

By December 1970, six more unions of employees of banks and airlines joined DOMEI, boosting its total membership to more than 8,000.

Year-End Bonus Struggles

Year-end bonuses constitute a significant percentage of the total remuneration of Ryukyuan workers. The 1970 year-end bonus struggles involved 52,471 employees in organized labor and resulted in an average increase of 6.8 percent, or \$17.23, per employee over the preceding year.

1970 Year-End Bonus Settlements

<u>No. of Employers</u>	<u>No. of Employees</u>	<u>Average Base Wage Per Month</u>	<u>Bonus Com- puted by Old Method</u>	<u>Bonus Com- puted by New Method</u>	<u>Increase (%)</u>
160	52,471	\$141.96	\$254.52	\$271.75	6.8

1971 Spring Struggles

Wage increases resulting from the 1971 spring struggles ranged from a low of 10 percent for government employees to a high of 24.4 percent for employees of automobile distributors. The average increase for 50,723 organized employees was 15.3 percent, or an average monthly increase of

\$20.90 per employee. A breakdown by industry of the increases gained through the 1971 spring struggles is shown below:

1971 Spring Struggles - Settlements by Industry

<u>Industry</u>	<u>No. of Employers</u>	<u>No. of Employees</u>	<u>Previous Monthly Average</u> <u>1/</u>	<u>Amount Increase</u>	<u>%</u>	<u>New Monthly Average</u>
TOTAL	<u>230</u>	<u>50,723</u>	<u>\$136.84</u>	<u>\$20.90</u>	<u>15.3</u>	<u>\$157.74</u>
Government and Agencies	7	19,049	154.37	15.42	10.0	169.79
Municipal Government	35	5,011	136.38	22.72	16.7	159.10
Public Utilities	11	1,678	166.36	30.47	18.3	196.83
Petroleum and Chemicals	9	1,054	143.08	25.83	18.1	168.91
Land Transportation	12	2,798	125.20	23.08	18.4	148.28
Sea Transportation	6	819	136.06	28.48	20.9	164.54
Dock Work	12	2,310	127.21	27.93	22.0	155.14
Newspapers and Broadcasting	6	1,280	144.67	28.27	19.5	172.94
Banking, Insurance	13	3,875	141.71	31.19	22.0	172.90
Sugar Manufacturing	9	1,051	142.10	27.10	19.1	169.20
Food Manufacturing (excludes sugar)	14	1,767	108.47	21.91	20.2	130.38
Textile, Clothing	4	756	62.72	13.21	21.1	75.93
Other Manufacturing	17	2,161	109.34	26.06	23.8	135.40
Auto Sales	6	1,000	98.61	24.07	24.4	122.68
Agricultural Coopera- tives Association	13	546	126.53	24.84	19.6	151.37
Miscellaneous	56	5,568	108.59	16.81	15.5	125.40

1/ Reflects average monthly base wage of industry cited.

Ten work stoppages were carried out in the course of the 1971 spring struggles involving a total of 5,664 workers, far less than the 25,237 employees participating in the 1970 walkouts. On the other hand, the total man-hours lost in 1971 increased more than threefold over the previous year as a result of the prolonged dock strike. The following table gives the number of labor disputes and man-hours lost by industry:

1971 Spring Struggles - Work Stoppages by Industry

	<u>No. of Stoppages</u>	<u>No. of Workers Involved</u>	<u>Man-Hours Lost</u>
TOTAL	<u>10</u>	<u>5,664</u>	<u>863,848</u>
Government and Public Corporations	2	176	2,816
Land Transportation	2	2,288	18,304
Sugar Manufacturing	1	884	13,000
Dock Work	2	2,030	725,200
Miscellaneous	3	286	104,528



Osaka DOMEI officials call on USCAR Labor Adviser,
Alfred B. Ciano (C)

LABOR STATISTICS

Trade Union Survey

Forty new labor unions made their appearance in 1970, bringing the total number of labor unions in the Ryukyu Islands to 236 as of 31 December 1970. Union membership totaled 64,523, an increase of 1,183 members over the previous year, despite a 6.2 percent decline in the total number of wage earners in 1970.

Growth of the Ryukyuan Labor Movement 1/

<u>CY</u>	<u>Wage Earners</u>		<u>Labor Unions</u>		<u>Labor Union Membership</u>		<u>% Wage Earners Organized</u>
	<u>No.</u>	<u>% Increase</u>	<u>No.</u>	<u>% Increase</u>	<u>No.</u>	<u>% Increase</u>	
57	117,000	-	35	-	5,316	-	4.5
58	124,000	6.0	47	34.3	8,566	61.1	6.9
59	133,000	7.3	52	10.6	10,715	25.1	8.1
60	148,000	11.3	84	61.5	17,792	66.0	12.0
61	166,000	12.2	101	20.2	20,330	14.3	12.2
62	181,000	9.0	130	28.7	28,811	41.7	15.9
63	184,000	1.7	115	-11.5	29,954	4.0	16.3
64	184,000	-	124	7.8	33,156	10.7	18.0
65	201,000	9.2	123	- 0.8	36,715	10.7	18.3
66	213,000	6.0	137	11.4	40,990	11.6	19.2
67	227,000	6.6	144	5.1	47,952	17.0	21.1
68	233,000	2.6	153	6.3	57,961	20.9	24.9
69	242,000	3.9	196	28.1	63,340	9.3	26.2
70	227,000	- 6.2	236	20.4	64,523	1.9	28.4

1/ All figures based on fourth quarter of each calendar year.
Source: 1971 Trade Union Survey.

Labor Union Federations (As of 31 December 1970)

	<u>Number of Affiliated Unions</u>	<u>Membership of Affiliated Unions</u>	<u>% of All Organized Labor</u>
TOTAL	<u>236</u>	<u>64,523</u>	<u>100.0</u>
KENROKYO	120	46,192	71.6
DOMEI	28	8,078	12.5
ZENOKIROREN <u>1/</u>	16	936	1.5
Independent	72	9,317	14.4

1/ Federation of All-Okinawa Labor Unions.

Labor Bank (Labor Credit Cooperative)

The Okinawa Prefecture Labor Bank, established on 7 May 1966, provides low-interest loans to workers without collateral and to labor unions. Financing support has been provided by the GRI through deposits of \$750,000 from the Unemployment Insurance Fund and \$400,000 from the Public Service Retirement and Annuity Fund.

Labor Bank Financial Status

<u>FY</u>	<u>Number of Loans Made</u>	<u>Deposits</u>	<u>Loans Outstanding</u>	<u>Net Profit</u>
1967	3,512	\$1,111,783	\$1,087,504	\$ 17,479
1968	5,169	2,289,816	2,405,471	29,889
1969	6,173	4,091,835	3,471,565	55,914
1970	4,753	5,986,039	5,046,126	68,066
1971	6,393	8,457,390	7,189,712	126,343

Population and Labor Force Statistics

Total labor force in the Ryukyu Islands showed a slight decrease in the past year primarily due to the emigration of a large number of young workers and students to Japan. Notable changes in the labor picture during the year were the 14.7 percent drop in workers engaged in primary industries and the rise in unemployment, as shown in the following comparative statistics based on the fourth quarter averages in 1970 and 1971.

	<u>Apr-Jun 1970 1/</u> (Average)		<u>Apr-Jun 1971</u> (Average)		
	<u>No. of Persons</u>	<u>% of Total Labor Force</u>	<u>No. of Persons</u>	<u>% of Total Labor Force</u>	<u>% Change</u>
<u>Total Population</u>	<u>943,000</u>		<u>948,000</u>		<u>+ 0.5</u>
<u>Total Labor Force</u>	<u>394,000 2/</u>	<u>100.0 2/</u>	<u>393,000 2/</u>	<u>100.0 2/</u>	<u>- 0.3</u>
Agriculture (Includes Forestry Fishing Hunting)	109,000	27.7	93,000	23.7	-14.7
Nonagriculture	281,000	71.3	297,000	75.6	+ 5.7
Unemployed	3,000	0.8	4,000	1.0	+33.3

1/ Revised from previous report.

2/ Details do not add to total owing to rounding.

Source: GRI Statistics Agency

Distribution of Labor Force and Wage Earners by Industry
(Apr-Jun 1971) (Average)

	<u>Labor Force</u>	<u>Percent of Labor Force</u>	<u>Wage Earners</u>	<u>Percent of Wage Earners</u>
<u>All Industries</u>	<u>393,000</u> <u>1/</u>	<u>100.0</u> <u>1/</u>	<u>229,000</u>	<u>100.0</u> <u>1/</u>
Agriculture, Forestry and Hunting	89,000	22.6	2,000	0.9
Fishing	4,000	1.0	1,000	0.4
Mining and Quarrying	-	-	-	-
Manufacturing	33,000	8.4	26,000	11.4
Construction	41,000	10.4	34,000	14.8
Wholesale and Retail Trade	83,000	21.1	43,000	18.8
Finance, Insurance and Real Estate	6,000	1.5	5,000	2.2
Transportation, Communications, and Public Utilities	23,000	5.9	21,000	9.2
Services	61,000	15.5	46,000	20.1
Government	15,000	3.8	15,000	6.6
U.S. Forces <u>2/</u>	36,000	9.2	36,000	15.7
Unemployed	4,000	1.0	-	-

1/ Details do not add up to totals owing to rounding.

2/ Represents employees paid from U.S. Government appropriated and nonappropriated funds and employees of U.S. Forces service and construction contractors.

Emigration to Japan Through the Facilities of the
Public Employment Security Office 1/

<u>Calendar Year</u>	<u>Number Emigrating</u>	<u>Percent Increase/Decrease</u>
1965	2,972	-
1966	2,799	- 5.8
1967	4,040	44.3
1968	4,747	17.5
1969	8,272	74.3
1970	10,954	32.4

1/ Figures do not include persons who go to Japan to obtain work on their own responsibility, or as dependents of workers. In general, junior and senior high school graduates usually go through employment service facilities while older workers go on their own. No statistics are available as to the number of such persons. In addition to persons going to Japan to work, there is an increasing number going to study.

SOCIAL INSURANCE

General

There was but little legislative activity in the social insurance field during the year. Most of the social insurance programs were already compatible with counterpart Japanese programs, and the GRI did not feel under compulsion to erase the remaining differences in order to prepare for reversion. The one important exception was the Medical Insurance Program, which differed widely from the Japanese Health Insurance System. In this area, the Yara administration was seriously engaged throughout the year in attempting to make major changes to bring the local program in line with Japan. Although bills were recommended to the legislature and many hearings were held, efforts to change the existing program were consistently frustrated by the determined opposition of the medical profession. The only legislation actually enacted during the year provided for a minor reduction in the premium rate (from 3.2 percent to 3.0 percent).

Welfare Pension Insurance

The Welfare Pension Insurance Program, covering private industry and U.S. Forces employees, went into effect on 1 January 1970. Although basically an old-age retirement program, employees do not qualify for retirement benefits until they have had at least 4 years of coverage (20 years of coverage is required as a basic provision; but, under a special temporary provision, older workers may qualify for a limited pension after 4 years of coverage). This means that old-age retirement pensions will not become payable until 1 January 1974; however, a degree of protection is provided under the program to employees who are injured, become ill, or suffer permanent partial disability or total disability. The survivors of deceased employees may also qualify for benefits. Statistics for this program for FY 1971 are as follows:

Number of Covered Employers	3,054
Number of Covered Employees	103,212
Number of Beneficiaries	37
Benefits Paid	\$11,630
Premiums Collected	\$6,448,769

During the year, the GRI amended its Welfare Pension Insurance Law to raise the premiums payable by higher paid employees and their employers. Although the amendment did not change the premium rates, it raised the maximum limit on the taxable payroll, which had the effect of increasing benefits for the higher paid employees when retirement pensions first become payable on 1 January 1974. The change significantly increased the amount of premiums payable by U.S. Forces employees and their employing activity. It also brought the GRI law into closer conformity with the Japanese law in this area but did not affect other areas where the GRI legislation differed from that of Japan. The change went into effect on 1 January 1971.

Workmen's Compensation

High Commissioner Ordinance No. 42 provides Workmen's Compensation benefits to employees of contractors performing services for the U.S. Forces. This system operates under the supervision of the Employee's Compensation Administrator in the USCAR Labor Department. During FY 1971, 414 claims were paid by private insurance carriers in the total amount of \$66,255.69 as shown below:

Workmen's Compensation Benefits

<u>Type of Claim</u>	<u>No. of Valid Claims Paid</u>	<u>Amount of Compensation Paid</u>
TOTAL	<u>414</u>	<u>\$66,255.69</u>
Medical Care	266	13,780.09
Partial Disability	16	27,611.46
Temporary Total Disability	132	24,864.14
Permanent Total Disability	0	0
Death	0	0

Workmen's Compensation Operations

<u>Insurer</u>	<u>No. of Contractors</u>	<u>No. of Workers Covered</u>	<u>No. of Claims</u>	<u>Amount of Premiums Collected</u>	<u>Amount of Benefits Paid</u>
TOTAL	<u>172</u>	<u>16,017</u>	<u>414</u>	<u>\$187,549.21</u>	<u>\$66,255.69</u>
AFIA <u>1/</u>	18	2,649	88	21,824.44	15,473.11
AIU <u>2/</u>	17	1,340	10	26,123.93	1,000.05
Kyowa	59	5,687	255	111,529.43	37,536.34
Ryukyu	70	5,977	55	23,249.41	11,988.95
New Zealand	4	233	2	2,211.50	84.51
Northern	4	131	4	2,610.50	172.73

1/ American Foreign Insurance Association.

2/ American International Underwriters.

GRI-Administered Workmen's Compensation

Private industry employees other than those employed by U.S. Forces contractors are covered by the GRI Workmen's Compensation Law. Statistics

on the operation of this program from FY 1964 through FY 1971 are given below:

	<u>Workers Covered</u>	<u>Premiums Collected</u>	<u>Number of New Beneficiaries</u>	<u>Benefits Paid</u>
FY 1964	36,405	\$169,075	124	\$ 10,182
FY 1965	42,688	499,346	910	112,414
FY 1966	45,021	484,725	1,596	162,625
FY 1967	48,846	610,082	1,874	272,010
FY 1968	54,432	665,858	2,395	340,432
FY 1969	51,354	718,239	2,391	357,199
FY 1970	61,472	835,393	2,692	445,882
FY 1971	58,141	768,424	3,343	665,527

Unemployment Insurance

The number of unemployment insurance beneficiaries increased appreciably in FY 1971 in comparison with prior years. Nevertheless, the ratio of beneficiaries to covered workers was not high by international standards.

	<u>FY 1970</u>	<u>FY 1971</u>	<u>Percent Change</u>
Number of Insured	119,140	114,261	- 4.1
Number of Beneficiaries	1,769	2,220	+ 25.5
Total Benefits Paid	\$1,456,103	\$2,412,639	+ 65.7
Total Premiums Collected	\$1,843,890	\$2,086,068	+ 13.1

Medical Insurance

The Ryukyuan Medical Insurance Program was the center of considerable controversy during this reporting period. Under the present system, patients receiving medical treatment are required to pay the bill and then obtain partial reimbursement for expenses incurred from the insurance agency. The burden of filing the claim with the insurance agency falls on the patient. In contrast, in Japan, the patient pays the physician or medical practitioner only an insignificant sum, and the responsibility for filing a claim with the insurance agency rests with the practitioner. For all practical purposes, a patient in Japan receives free medical care. Although this was the primary point of argument for critics of the present system, the more important difference between the Ryukyuan and Japanese systems was that, in the Ryukyus, the fee is determined by the doctor while, in Japan, the amount is fixed by the government. It was for this reason that the local physicians bitterly opposed the government's attempt to convert the Ryukyuan program to one modeled after the Japanese.

Statistical data on the operation of the Medical Insurance Program since FY 1967 are shown below:

	<u>Employees Covered</u>	<u>No. of Dependents</u>	<u>No. of Claims Paid</u>	<u>Total Premiums Collected</u>	<u>Total Benefits Paid</u>
FY 1967	128,459	215,813	76,654	\$4,514,349	\$ 798,564
FY 1968	141,405	232,010	213,477	6,407,478	2,180,297
FY 1969	156,228	260,849	264,522	7,674,480	3,375,559
FY 1970	164,085	277,566	378,654	9,099,348	5,175,393
FY 1971	163,554	289,917	366,190	9,405,841	5,248,294

Government Employees' Program

In Japan, mutual aid associations are government-authorized and -subsidized organizations of employees of a government agency through which old-age retirement, disability benefits, and other social security-type protection are provided to the employees of that agency. Three mutual aid associations are presently in existence in Okinawa covering education personnel, public service employees; and employees of agricultural, forestry and fishery cooperatives. Statistics on these programs are as follows:

	<u>FY 1970</u>	<u>FY 1971</u>
<u>Employees Covered</u>		
Public Service	20,328	20,881
Education Personnel	14,535	14,800
Agriculture, Forestry, Fishery	<u>1,965</u>	<u>1,992</u>
TOTAL	36,828	37,673
<u>Benefits Paid</u>		
Public Service	\$ 396,719	\$ 395,448
Education Personnel	127,663	299,958
Agriculture, Forestry, Fishery	<u>75,001</u>	<u>106,274</u>
TOTAL	\$ 599,383	\$ 801,680
<u>Contributions</u>		
Public Service	\$ 5,266,103	\$ 5,436,665
Education Personnel	3,259,902	4,445,294
Agriculture, Forestry, Fishery	<u>242,916</u>	<u>285,691</u>
TOTAL	\$ 8,768,921	\$10,167,650
<u>Reserve</u>		
Public Service <u>1/</u>	\$21,842,331 <u>1/</u>	\$17,956,868
Education Personnel <u>1/</u>		10,688,054
Agriculture, Forestry, Fishery	<u>167,914</u>	<u>298,650</u>
TOTAL	\$22,010,245	\$28,943,572

1/ The programs for public service and education personnel were separated in FY 1970, except for the reserve fund.

National Pensions

The National Pension Program provides a variety of benefits (mostly old-age retirement, survivors, and disability) for employees of small enterprises not covered by other programs and for the self-employed, such as farmers and fishermen. Family members as well as persons not in the labor market may also qualify. This program has some aspects of a social insurance program in that it is contributory in part, but it is essentially a public assistance program, financed by the GRI and GOJ and administered by local governmental units.

A total of \$2,577,317 was paid to 46,633 beneficiaries in FY 1971, broken down as follows:

<u>Type of Benefit</u>	<u>No. of Beneficiaries</u>	<u>Benefits Paid</u>
TOTAL	<u>\$46,633</u>	<u>\$2,577,317</u>
Old-Age Pension	41,546	1,950,027
Disability	2,253	299,574
Mothers	2,834	327,716

Social Insurance Reserve Funds

Reserve funds of the social security program totaled \$64,772,528 as of 30 June 1971. The bulk of these funds was on deposit with the Trust Fund Bureau Fund, administered by the GRI Planning Department.

<u>Program</u>	<u>Amount</u>
TOTAL	<u>\$64,772,528</u>
Unemployment Insurance	6,495,293
Workmen's Compensation	2,229,084
Medical Insurance	24,552,826
Welfare Pension Insurance	2,551,753
Public Service Personnel Mutual Aid	17,956,868
Education Personnel Mutual Aid	10,688,054
Agricultural, Forestry & Fishing Mutual Aid	298,650

Minimum Wage Increase

A minimum wage of 20¢ per hour was established in 1966 by an amendment to Civil Administration Ordinance No. 116. This minimum was well above the minimum wage provided in the GRI law at the time, and it assured a relatively favorable treatment for individuals working for the U.S. Forces. However, with the rapid yearly rise in the general level of wages and the cost of living, the 20¢ rate no longer served its intended purpose. Initially, a new minimum wage was included as part of the revised labor legislation (Comprehensive Labor Ordinance). However, this

ordinance was not put into effect due to opposition of labor groups to some of the revisions, particularly in the area of labor relations. As a result the minimum wage remained unchanged until 1 January 1971 when an amendment was promulgated to raise the minimum wage from 20¢ to 30¢ per hour. The effect of the change was to increase the wages of approximately 400 U.S. Forces contractor employees, especially those engaged in messhall, custodial, and grass-cutting operations. Direct-hire U.S. Forces employees were not affected inasmuch as they were already getting wages much higher than the minimum.

Separation Allowances

In the Ryukyuan private industry sector, as in Japan, there is a wide gap between the wages and other employment benefits available to employees of large industries compared with those paid to employees of smaller enterprises. The Government of Japan has a program to partially rectify this imbalance, and it was proposed that a similar program be adopted in Okinawa. A bill was drafted by the GRI, in coordination with USCAR, to provide for the organization by the government of one or more mutual aid associations among small employers. The employers who joined the association would contribute a fixed amount, and their employees would become eligible for separation allowance payments to be paid by the association. The bill was introduced into the legislature but failed to be enacted due to lack of funds and personnel to administer the program.

Vocational Training Center

The difference of views between USCAR and the GRI over the use by the GRI of unemployment insurance reserve funds to finance its share of the construction of the Comprehensive Vocational Training Center (see pages 230, Volume XVIII, Civil Administration of the Ryukyu Islands Report) was resolved on 26 October 1970 with the assurance by the GOJ that it would make up any shortfall in insurance funds needed for benefit payments. The new vocational center was formally opened on 23 December 1970.

CHAPTER 19

PUBLIC AFFAIRS

General

Prereversion interest in Okinawa and the U.S. presence in the islands rose during this reporting period. This local and international attention required the Public Affairs Department (PAD) to maintain a wide-ranging program despite budgetary cutbacks which resulted in staff and program reductions.

The department utilized all available mass media--press, radio, television, and publications--with the aim of informing and explaining to local and overseas communities the scope and details of U.S. assistance to and cooperation with the people of the Ryukyu Islands in developing a democratic self-government, a viable economy, and furthering a flourishing culture.

All media, enjoying complete freedom of press and speech, continued to expand their facilities and broaden their interests as the Ryukyuan economy registered new advances.

Two Ryukyuan-owned and -operated Japanese language dailies served the inhabitants of the main island of Okinawa and the outlying islands of the Ryukyus chain. The Ryukyuan dailies were the Okinawa Times, which claimed 118,120 subscribers to both morning and evening editions; and the Ryukyu Shimpo, which claimed 91,092 subscribers to its morning and evening editions. Four other Japanese language newspapers, with varying schedules of appearance, were published in the Miyako and Yaeyama island groups with a combined circulation of about 11,000. The Times and Shimpo were serviced by the Kyodo News Service of Japan. The Times also used the Associated Press wirephoto service. The Times, affiliated with the Ryukyu Broadcasting Corporation (RBC), provided its local news coverage to the Japanese language radio and television stations KSAR and KSAR-TV (Channel 12) and English language radio station KSBK. Shimpo provided its local news coverage to its affiliated Japanese language radio station Radio Okinawa (KSDT) and Okinawa Television (KSDW), Channel 10.

There were also 31 organ and trade newspapers, published either weekly or semimonthly, with a combined circulation of about 208,000. Included among these were the weekly Okinawa Keizai Shimbun with a circulation of 5,000 and the Okinawa Kensetsu (Construction) Shimbun with a circulation of 3,000.

The number of full-time Japanese resident news bureaus stationed in Naha rose to 14. They were the Kyodo and Jiji news services; the Mainichi,

MASS MEDIA AND USCAR PAD RESOURCES (1 July 1971)

PRESS

	Circulation
<u>Japanese Language Dailies (6)</u>	<u>220,212</u>
Okinawa Times	118,120
Ryukyu Shimpō	91,092
Miyako Shimpō	1,500
Miyako Mainichi Shimbun	2,100
Mainichi Okinawa Shimbun	1,900
Yaeyama Mainichi Shimbun	5,500
<u>English Language Dailies (2)</u>	<u>35,000</u>
Okinawa Morning Star	15,000
Pacific Stars and Stripes	20,000
<u>Japanese Language Weekly (1)</u>	<u>50,000</u>
Konshu-no-Nippon	50,000
<u>Organ and Trade Newspapers (31)</u>	<u>207,900</u>
Japanese Language Triweekly (1)	
Miyako Kyoiku Jiho	1,000
Japanese Language Weeklies (3)	
Okinawa Keizai Shimbun	5,000
Okinawa Kensetsu Shimbun	3,000
Jinmin	3,000
Japanese Language Trimonthly (1)	
Okinawa Tachi-Jutaku Shimbun	12,000
Japanese Language Semimonthlies (2)	
Okinawa Kyoku Shimbun	3,500
Okinawa Danchi Shimbun	5,000
Japanese Language Monthlies (10)	127,500
Japanese Language Irregulars (9)	25,400
Military Service Weeklies (English) (3)	
Outpost	3,000
Ryukyuan Review	5,000
Okinawa Marine	7,500
Military Service Biweekly (Japanese) (1)	
Koryu	5,000
Military Service Monthly (English) (1)	
Windjammer	2,000
<u>College Newspapers (7)</u>	<u>17,500</u>
Ryukyu Daigaku Gakusei Shimbun (monthly)	4,000
Ryukyu Daigaku Gakuho (monthly)	1,500
Okidai Gakusei Shimbun (bi-monthly)	2,000
OCI Gakusei Shimbun (semi-yearly)	500
Kokudai Gakusei Shimbun (yearly)	2,500
Ryudai Times (irregular)	4,000
Ryudai Review (English, irregular)	3,000
<u>Sr. High School Newspapers (25)</u>	<u>37,620</u>
<u>Elem. Jr. High Newspapers (86)</u>	<u>74,036</u>
<u>Japanese Correspondents: Full-Time Residents (14)</u>	
Asahi Shimbun	Mainichi Shimbun
Yomiuri Shimbun	Tokyo Sankei Shimbun
Chunichi Shimbun	Tokyo Shimbun
Nishinippon Shimbun	Konshu-no-Nippon
Nippon Keizai Shimbun	Jiji Press
Kyodo News Service	Nippon Hoso Kyokai (NHK)
Nippon Television Co. (NTV)	Nippon Educational Television Co. (NET)
<u>Part-Time Stringers (3)</u>	
Associated Press	
United Press International	
CBS News	
<u>MAGAZINES AND PAMPHLETS</u>	
<u>English Language Weeklies (2)</u>	<u>9,000</u>
This Week on Okinawa (general social)	4,000
Kadena Falcon (Air Force) (general)	5,000
<u>Japanese Language Monthlies (4)</u>	<u>142,000</u>
Shurei no Hikari (Army) (general)	95,000
Okinawa Graph (pictorial)	37,000
Gekkan Okinawa (general news)	5,000
Okinawa Jiji (general)	5,000
<u>Japanese Language Bimonthly (1)</u>	<u>2,000</u>
Okinawa Seisan-Sei (economic)	2,000
<u>Japanese Language Quarterly (1)</u>	<u>3,000</u>
Shin Okinawa Bungaku (literary)	3,000
<u>College Manuals, Booklets (15)</u>	<u>11,850</u>
<u>Sr. High Pamphlets (20)</u>	<u>12,100</u>
<u>Elem. Jr. High Pamphlets (43)</u>	<u>32,500</u>
<u>Photo News, Pamphlets</u>	<u>22,500</u>
USCAR Photo News (irregular)	1,000
7th PSYOP GP Pamphlets (irregular)	20,000
GRI PIO Wall Newspapers (6 times yearly)	1,500
<u>Imported Publications - FY 71 (value)</u>	<u>\$ 7,464,176</u>
Newspapers	141,301
Magazines, Periodicals	2,417,878
Books, Pamphlets, Leaflets	4,568,855
Other Printed Matters	336,142

<u>USCAR - Imported Publications - FY 71</u>	<u>32,572</u>
Books	4,044
Magazines	10,528
Pamphlets, Leaflets	18,000

RADIO BROADCASTING

<u>No. of Stations</u>	<u>9</u>
<u>Principal Stations</u>	<u>8</u>
KSAR - 740 kHz	Ryukyu Broadcasting Corporation (RBC)
KSDT - 780 kHz	Radio Okinawa Company (ROK)
KSDX - 1250 kHz	Far East Broadcasting Company (FEBC)
KSBK - 880 kHz	RBC (English)
KSAB - 1020 kHz	FEBC (English)
AFRT - 650 kHz	American Forces Radio & TV (AFRT) (English)
AFRT - 1420 kHz	AFRT (English)
AFRT - 89.1 MHz (FM)	AFRT (English)

Relay Station

KSAR Miyako Station - 1150 kHz (RBC)

<u>No. of Receivers</u>	<u>379,923</u>
Home Radios and Transistors	287,678
Car Radios	67,685
Receivers Connected by Wire to Group Listener Systems x	24,560

No. of Group Listener Systems

TELEVISION BROADCASTING

<u>No. of Stations</u>	<u>12</u>
<u>Principal Stations</u>	<u>5</u>

KSAR-TV (Ch 12) Ryukyu Broadcasting Corporation (RBC)

KSDW-TV (Ch 10) Okinawa Television Company (OTV)

KSGB-TV (Ch 2) Okinawa Hoso Kyokai (OHK)

KSDY-TV (Ch 9) Miyako Station (OHK)

AFRT-TV (Ch 8) American Forces Radio & TV (AFRT) (English)

Relay Station

KSGA-TV (Ch 11) Yaeyama Station (OHK)

Satellite Stations

KSAR-TV (Ch 7) Kumejima Station (RBC)

KSGA-TV (Ch 13) Kabira Station (OHK)

KSGA-TV (Ch 12) Yonaguni Station (OHK)

KSGA-TV (Ch 10) Sonai Station (OHK)

KSGB-TV (Ch 38) Nakijin Station (OHK)

KSGB-TV (Ch 3) Kumejima Station (OHK)

<u>No. of Receivers</u>	<u>224,800</u>
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Black & White TV Sets

Color TV Sets

MOTION PICTURE THEATERS

By District	By Theater Chain			
	Kokuei	Orion	Ryuei	
Northern Okinawa	1	-	3	4
Central Okinawa	4	4	8	16
Naha City	3	3	9	15
Southern Okinawa	-	2	5	7
Miyako	1	-	2	3
Yaeyama	1	-	2	3

<u>Annual Attendance - FY 71</u>	<u>2,708,534</u>
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<u>Annual Imported Films - FY 71</u>	<u>628</u>
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Japan	457
U.S.A.	97
Others	74

RYUKYUAN - AMERICAN CULTURAL CENTERS 9

<u>USCAR Cultural Center (Naha)</u>	<u>1</u>
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Audio-Visual Activities - FY 71

No. of Film Showings

Annual Attendance

Library Activities - FY 71

Book Circulation

Annual Attendance

Mobile Units (MU) - FY 71

No. of MU Visits to 5 Library Stations

No. of MU Visits to 15 Book Deposit Points

Total FY 71 Attendance at USCAR Cultural Center

<u>Municipal Cultural Centers</u>	<u>8</u>
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Koza Ryukyuan - American Friendship Center

Itoman Ryukyuan - American Cultural Center

Kadena Friendship Hall

Zamami Ryukyuan - American Cultural Center

Ishikawa Ryukyuan - American Cultural Center x x

Nago Ryukyuan - American Cultural Center x x

Miyako Ryukyuan - American Cultural Center x x

Yaeyama Ryukyuan - American Cultural Center x x

NOTE : Circulation figures are those claimed by the media
Sources for other figures are GRI Customs Office, Postal Services Agency, and USCAR
Radio and television sets in the military community are not included
x ---Receivers connected by wire to a redistribution system, which is locally called "Oyako Radio."
x x ---Transferred from USCAR to municipalities as of 1 July 1971

Asahi, Yomiuri, Nishinippon, Sankei, Nihon Keizai, Tokyo, Chunichi, and Konshu-no-Nippon newspapers; Nippon Hoso Kyokai (NHK) (Japan Broadcasting Corporation); Nippon Educational Television (NET); and Nippon Television (NTV). Other major Japanese national and provincial newspapers and broadcasting media were served by stringers.

The two American-owned and -operated English language newspapers were the Okinawa Morning Star and the Pacific Stars and Stripes, both with English-speaking Ryukyuan staff members. The Morning Star claimed a daily circulation of about 15,000, while the Stars and Stripes, published in Tokyo and flown to Okinawa for morning distribution, claimed a circulation of 20,000. Both English dailies were served by the Associated Press, United Press International, Reuters, and American syndicates.

The Associated Press, United Press International, Columbia Broadcasting System, National Broadcasting Company, American Broadcasting Company, and Time-Life were represented on Okinawa by stringers on the staff of the Morning Star and Ryukyu Broadcasting Corporation's English language station KSBK.

Information Program

One of the most important PAD activities in both civil and military areas concerned the U.S. Army's removal of toxic chemical munitions from Okinawa to Johnston Island, which commenced in January 1971. PAD provided coordinating assistance and guidance on public affairs aspects of the operation and information materials, primarily television programs, aimed at securing the understanding of local officials and the general public. Specific PAD activities included preparation and placement of two major television film programs, arrangements for major press conferences by the commander of the removal operation, and escort services for news media covering the removal operation.

In the cultural field, the department sponsored an exhibition of a moon rock, the first ever shown in Okinawa. This event received the most popular response for an American-sponsored program and was Okinawa's most talked-about scientific-cultural event in recent years, with special coverage given to the exhibit by local newspapers, radio, and television.

News and background information on the "Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands," signed on 17 June 1971, was prepared and disseminated. Full texts of the reversion agreement and its related documents and current data on the Ryukyus were issued to insure optimum and accurate local coverage.

The Information Division produced and distributed 237 news releases, 25 memos to editors, five fact sheets, and 550 news photos, in addition to

numerous written and oral responses to media questions and requests for data, during the year. All material was produced in both the English and Japanese languages and distributed to the 26 Ryukyuan, Japanese, and American privately operated newspaper, radio, television, and magazine companies and news bureaus located on Okinawa. The division also serviced 14 American military, Ryukyuan, and Japanese governmental information offices on Okinawa, plus several newspapers and radio stations in Hawaii and in South America, where large communities of persons of Ryukyuan ancestry are located.

The subjects of the informational materials included local U.S.-aided economic development; expansion and improvement of medical and public health programs and facilities; governmental and private welfare programs, particularly those supported directly by American women's clubs and other American voluntary organizations; typhoon relief and other disaster measures; the Ryukyu-wide school lunch program supported by U.S. Public Law 480; emergency medical evacuation flights for Ryukyuan and other nationalities from remote areas to medical facilities on Okinawa aboard U.S. Army, Air Force, Marine, and Navy aircraft; public safety and judicial developments; financial assistance to the Ryukyuan people; and public utility and other public works projects and developments, including those carried out by the U.S. Forces on behalf of local municipalities.

Among the important visitors to Okinawa during this reporting period who received assistance from PAD were Dr. Clarence H. Jernigan, chief, Space



Visiting Japanese radio and TV newsmen attend an orientation and briefing session at USARYIS Headquarters



Hawaii Friendship Mission presents anthuriums to Civil Administrator Fearey (2d from R) Others in the group (L to R): Bruce N. Takamine, Mrs. Haruko H. Kaneshiro, Akira Sakima, and Samuel Y. Takushi

Flight Medicine, Manned Space Center, Houston, Texas; Professor Ardath W. Burks, director, International Programs, Rutgers University; Victor Riesel, labor commentator; Henry Bradsher, Washington Evening Star; members of the Japan National Broadcasters Association; Taiji Nagasawa, standing director, NHK; In Chol Lee, reporter, Dong-A Ilbo, Seoul, Korea; news directors of the Japan News Network (JNN); newsmen covering the Japan Defense Agency; Hanson W. Baldwin, Readers Digest; Mayor Elmer Cravalho, Maui County, Hawaii; Mrs. Jeanie Smith, "Mrs. United States Savings Bonds"; Philip R. Brown, Associated Press; Dr. James Watkins, Stanford University; Professor Lawrence Zane, director, Community College Program, University of Hawaii; Derek R. G. Donnelly, vice president, Junior Chamber International; Herbert R. Rainwater, commander in chief, Veterans of Foreign Wars; members of the Hawaii Friendship Mission to the Ryukyus; Bert Fraleigh, regional Food for Peace officer, Agency for International Development; Ruprecht Esser, German Television Channel 2; Lou Cioffi, American Broadcasting Company; Mack Chrysler, U.S. News and World Report; John Rich, National Broadcasting Company; Lars Hansegard, Swedish Broadcasting Company; and Ted Koppel, American Broadcasting Company.

Cultural Affairs Program

The cultural affairs program of the U.S. Civil Administration of the Ryukyu Islands (USCAR) was drastically reduced during FY 1971. Through successful negotiations with the municipal officials of the cities of Ishikawa and Nago on Okinawa Island, Hirara on Miyako Island, and Ishigaki in Yaeyama Gunto, USCAR's cultural centers in each of these cities

became community centers managed by the respective municipality. Under the terms of the transfer agreement signed by each mayor concerned, the municipalities agreed to operate these centers from 20 October 1970 to 30 June 1971. In view of the fact that the municipalities' budgets did not include funds for operation of such centers, USCAR provided a sum of \$92,200 from the High Commissioner's Fund for Special Assistance to Municipalities. The municipalities understood that no funds would be available after 30 June 1971 and that each would have to provide its own funds if it desired to continue activities of its center.

Operations and staffing of the Naha Cultural Center, however, remained under the control of PAD.

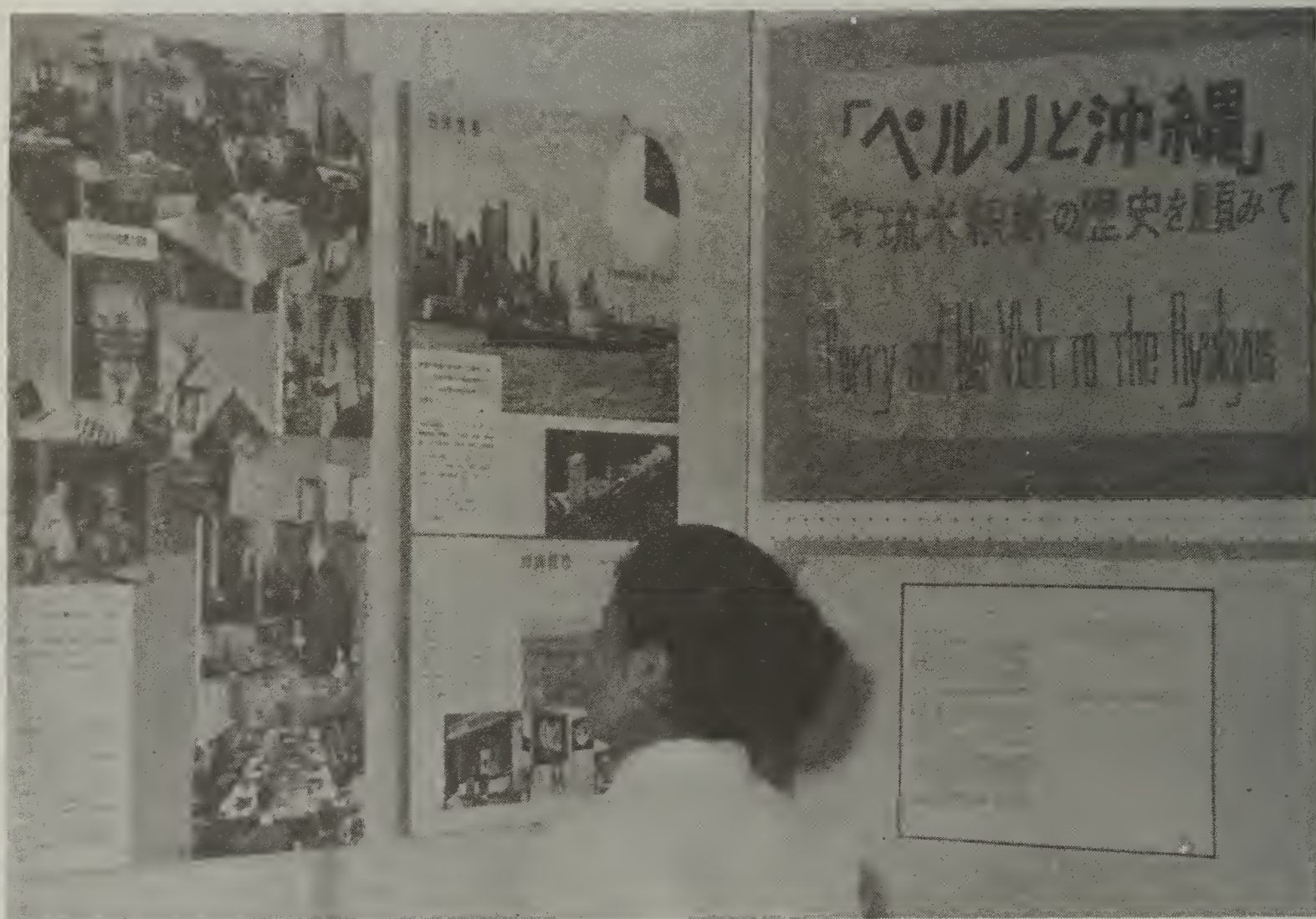


Photo exhibition on U.S.-Japan-Ryukyus relations since the days of Commodore Matthew C. Perry

The Naha Center continued to serve the Ryukyuan public with its modern library facility containing some 13,000 Japanese language and 4,000 English language books. A mobile library service and book deposit program supplemented the library's activities. To foster reading activities in homes, schools, and communities, the center coordinated the 19th annual islandwide Book Week and the 13th annual islandwide Library Week, the former in November 1970 and the latter in April 1971. Numerous programs, including book exhibitions, book club meetings, story-telling contests, and tours of American military and Ryukyuan civilian libraries were conducted in coordination with the Okinawa Book Dealers Association and civic organizations.

As noted earlier, the most popular local scientific-cultural activity in many years was the exhibit of a moon rock brought to earth by Apollo 12. PAD arranged for its display on Okinawa on 1, 2, 3, and 5 January 1971 through the cooperation of the U.S. Information Service (USIS), Tokyo. Initially, the rock was shown at the High Commissioner's annual New Year's Day reception, then at Stilwell Fieldhouse, and finally at the Naha Cultural Center. A total of 37,000 people viewed the exhibition of the rock and the Apollo program at the three sites.



Moon rock exhibit at the Naha Cultural Center (above and right) and at the Stilwell Fieldhouse (below)





American Food Fair attracts over 1,500 visitors to the Naha Cultural Center, including President Tetsuo Takara of the University of the Ryukyus (extreme right)

Another major event at the Naha Center, the first ever to be staged on the island, was the American Food Fair held in February 1971. With the enthusiastic participation and support of many American women, more than 70 varieties of American dishes were prepared and displayed, and samples were made available for tasting for more than 1,000 Ryukyuan housewives, dietitians, and restaurateurs. Purpose of the event was to show the development and variety of the American culinary art and the American way of serving foods.

Also as part of its aim of furthering public understanding of American-Japanese-Ryukyuan relations, the center featured a display of photos, paintings, drawings, and maps related to the visit of U.S. Navy Commodore Matthew C. Perry to Okinawa in 1853 and photos of important U.S. documents concerning the Ryukyus. The exhibition, featuring material on "Perry and the Opening of Japan" and "100 Years of Japanese-American Cultural Interchange," was produced by USIS, Tokyo. The photos of documents, secured by PAD from the National Archives, Washington, D.C., included various reports, letters, and agreements concerning Japan and the Ryukyus over the last century.

An exhibition of 50 paintings by Ryukyuan and American students attracted more than 7,000 viewers to the Naha Cultural Center during the period 1 May through 27 May 1971. The American art items, provided by the Milwaukee Art Center for exhibition in Japan, were secured by PAD from USIS, Tokyo.

Musical programs presented at the center during the year included various concerts by the Fifth Air Force Band, Kubasaki High School Chorus, Naha Philharmonic Chorus, Okinawa String Orchestra, and Okinawa Jazz Musicians Association.

PAD assisted U.S. Army, Ryukyu Islands (USARYIS), in coordinating arrangements on Okinawa for the 1971 Hawaii-Ryukyus Friendship Mission Exchange Program sponsored by U.S. Army, Pacific. A Ryukyuan goodwill delegation, consisting of local community leaders, visited Hawaii for 10 days in January and February 1971. The members were: Seiha Yamashiro of the Civilian Personnel Office, Headquarters USARYIS; Tadao Tokashiki, president of the Okinawa Cartoonists Association; Teisho China of the Ryukyuan Security Guard; and Mrs. Shizuko Oshiro, director of the Oshiro Textile Research Institute. A reciprocal goodwill mission from Hawaii visited Okinawa in May and June 1971. The delegation was headed by Hawaii State Representative Akira Sakima and consisted of Samuel Y. Takushi, vice president, American Security Bank, Honolulu; Mrs. Haruko H. Kaneshiro, chairman, Hui Makaala Women's Group; and Bruce N. Takamine, president, Hui Hanalike, Hilo, Hawaii.

The center's community lecture programs included a series by Dr. Lawrence F. H. Zane, associate professor of education and director of the Community College Program at the University of Hawaii. Dr. Zane lectured on the community college concept at the English Language Center, Shuri; the Naha Cultural Center; and the USARYIS Managers Anonymous Club.



Mrs. Robert A. Fearey (R) and Mrs. Kimiyo Onaga, chairman of the Women's Advisory Council, examine a handbag made of Ryukyuan "kasuri" textile

Research and Evaluation Program

A number of public opinion polls conducted in the Ryukyus during the year were translated by the Research and Evaluation Division. The most significant of these was a survey conducted by the Ryukyu Shimpō on 19-22 June 1971, a week after the signing of the reversion agreement. Highlights of this poll were as follows:

On the approaching reversion of the Ryukyu Islands to Japanese administration, 64.8 percent of the respondents felt uneasiness; 43.2 percent expressed the opinion that they thought the future of Okinawa would be dark. The poll also revealed that 47.6 percent of the respondents were dissatisfied with the reversion agreement, giving as reasons for this dissatisfaction the following: no possibility of a nonnuclear reversion (34.9 percent); no prospect of base reductions (23.5 percent); possible existence of secret backdoor deals between the United States and Japan (17.2 percent); Japanese subservience to the United States (9.2 percent); and waiver of Ryukyuan claims against the United States and purchase of U.S. assets on Okinawa (7.1 percent).

In responses to other questions, 47.8 percent said they had no confidence of Okinawa being returned without nuclear weapons; 48.0 percent wanted the Voice of America (VOA) and special military units, such as the U.S. Army 7th Psychological Operations Group and the Air Force SR-71 reconnaissance unit, removed simultaneously with reversion. Only 10.6 percent thought that a nuclear-free reversion would be materialized, and 4.0 percent favored the retention of VOA and special military units within the framework of the U.S.-Japan Security Treaty.

As to the date of reversion, 27.2 percent wanted 1 April 1972; 7.4 percent favored 1 July 1972. However, 36.2 percent said they were more concerned with the contents of the reversion agreement than with the date of reversion. Also, 39.0 percent said they desired a local referendum on the question of reversion.

Meanwhile, 47.4 percent of the respondents said they opposed the deployment of Japan Self-Defense Forces on postreversion Okinawa, while 16.6 percent supported such deployment.

In contrast, polls taken earlier in the year and prior to the signing of the reversion agreement showed these results:

The Okinawa Times poll, conducted on 8-9 August 1970, disclosed that optimism prevailed among the respondents that reversion will be accomplished in 1972 (59 percent), but nearly half (48 percent) thought that reversion with Japan-level bases without nuclear weapons will not be realized. Concerning the postreversion military bases, 47 percent wanted their complete removal; 16 percent favored bases without nuclear or chemical weapons and with combat deployment restricted under the prior consultation clause of the U.S.-Japan Security Treaty; 14 percent desired

Japan-level bases; 4 percent supported free combat deployment after the removal of nuclear weapons.

The Ryukyu Shimpo survey, conducted on 1-5 October 1970, revealed 33 percent desired the removal of U.S. bases; 28.8 percent wanted them scaled down to the Japanese level; 15.8 percent advocated the removal of nuclear weapons; and 8.5 percent supported the maintenance of the status quo. This survey disclosed that 23.8 percent of the respondents believed that nuclear weapons would be removed at the time of reversion against 18.9 percent who felt otherwise; and 45.1 percent expressed the opinion that such weapons may be reintroduced into Okinawa during times of emergencies. It also showed that 62.8 percent wanted the Japanese Government to refuse military deployment from Okinawan bases, while 13.6 percent said they would leave this decision for prior consultation between the Japanese and U.S. Governments. On reversion-related matters, 46.0 percent believed that reversion will be accomplished in 1972; 24.6 percent thought that it may be delayed; 35.3 percent expressed dissatisfaction with the U.S.-Japan negotiations on the reversion agreement since their opinions were not being reflected, in contrast to 13.3 percent who said they were satisfied since the talks were being conducted on the basis of U.S.-Japan trust and friendship. The poll, however, disclosed that 52.3 percent of the respondents were uneasy over approaching reversion and that 30.8 percent believed that their livelihood would become more difficult after reversion.

The three polls also queried respondents on their support of Chief Executive Chobyō Yara. The percentage ranged from 56 percent in the Times poll, 65.8 percent in the first Shimpo poll, to 50.2 percent in the second Shimpo poll. With respect to local political party preference, the three respective polls showed the Okinawa Liberal Democratic Party leading the field with 24 percent, 23.9 percent, and 19.2 percent; followed by the Okinawa Socialist Masses Party with 21 percent, 11.8 percent, and 19.2 percent; Okinawa People's Party with 8 percent, 6.8 percent, and 5.8 percent; Okinawa Socialist Party with 5 percent, 4.9 percent, and 4.4 percent; and Komei-To with 3 percent, 2.9 percent, and 2.2 percent.

In other phases of the research and evaluation program, the division published a daily News Highlights comprised of selective translations of key news, features, editorials, and commentaries of particular interest to USCAR and other U.S. Government agencies. The News Highlights were distributed in 1,440 copies to U.S. military and civilian organizations on Okinawa and in the United States and to libraries, academic institutions, commercial firms, and individuals, as requested, throughout the world.

The division also published the Public Image of the U.S. Forces on Okinawa on a continuing but irregular basis. This publication included articles in the local newspapers affecting the image of the U.S. Forces, with the editor responsible for classifying individual articles as either

favorable or unfavorable. Another division publication was the monthly Schedule of Events, a special compilation and translation of Ryukyuan events scheduled during the month as reported in the local press. This publication was distributed primarily to military service clubs, American women's clubs, and other civic organizations.

A major responsibility of the division was the preparation and publication of the Civil Administration of the Ryukyu Islands Report (Volume XVIII). The annual history of the U.S. Civil Administration for FY 1970 was distributed in 1,100 copies to U.S. Government agencies and libraries throughout the world.

Audio-Visual Program

Budgetary cutbacks necessitated a drastic curtailment of the department's radio programming in FY 1971. Four out of the five 15-minute weekly news commentary programs (two over KSAR, one over KSDT, and one over KSDX) were discontinued, leaving one Sunday program over station KSDT.

USCAR-produced television programs continued as in previous years, with two weekly broadcasts at prime evening time over the local commercial stations. These included coverage of timely topics through a 15-minute filmed program over KSAR-TV and a 30-minute live program over KSDW-TV which featured, in the main, roundtable discussions with representatives of various governmental and civic organizations.

Programming subjects emphasized the activities of USCAR and military services in the Ryukyu Islands, economic and industrial progress, public works and public utility projects, Ryukyuan-American friendship and cooperation, and social and cultural developments. These programs were coordinated with other USCAR departments as well as with U.S. and local governmental agencies to insure factual and informative presentations.

In addition to the above-scheduled broadcasts over purchased time, the Audio-Visual Branch also produced English language tapes, in cooperation with volunteer American ladies and teachers from the local junior high schools, for broadcast over KSDX of the Far East Broadcasting Company (FEBC). These tapes were aired from 1115-1130 hours, Mondays through Saturdays, as part of a Junior High School English Lesson Program.

Highlighting the audio-visual program in FY 1971 were two special TV productions on "Operation Red Hat," the military operation to move toxic chemical munitions from Okinawa to Johnston Island, which were shown over the two Ryukyuan commercial stations. The first covered a 30-minute review of the initial operation in January 1971 and the second featured a filmed interview with the commander of "Operation Red Hat" by a Government of the Ryukyu Islands (GRI) official concerning details of the safety measures involved in the operation. Copies of the films were also made available to the GRI for showing in the villages directly affected by the removal operation in an effort to allay the concern of the inhabitants and to gain their understanding and cooperation.

Other USCAR-produced programs were directed to the coverage of the moon rock exhibit; water conservation campaign; relief for the drought-stricken Sakishima islanders; dedication of the new electric power and water corporation facilities; and civic action projects by Special Action Forces, Asia, on offshore islands.

Two of the most significant programs of the year carried by all local radio and TV stations were the public appeal for calmness and order by the High Commissioner on 20 December 1970 following the Koza riot incident that day, and the signing of the reversion agreement in Washington and Tokyo on 17 June 1971, telecast to Tokyo through the satellite communications system and microwaved to Okinawa.

Publications Program

One of the major activities of the Publications Branch in FY 1971 was the distribution of books, magazines, pamphlets, and posters obtained from USIS, Tokyo, and the USIS Regional Service Center, Manila. These included 4,044 "donated books" received from publishers for use in the development of English language skills, particularly by Ryukyuan teachers of English; 10,528 magazines; and 18,000 pamphlets for distribution to local organizations, universities, senior high schools, and the Ryukyuan public.



American-donated books are presented to the principal of Konan High School (2d from R)

The most important and popular item distributed during the year was a special booklet in Japanese and English received from USIS, Tokyo, containing President Nixon's Report to Congress on 18 February 1970, entitled "United States Foreign Policy for the 1970's--A New Strategy for Peace." A forwarding letter from the Civil Administrator was inserted in the booklet. Distribution of about 5,000 copies was made to GRI officials, mayors and assemblymen, businessmen, civic organizations, university professors, school principals, education superintendents, members of the mass communication media, lawyers, doctors, writers, artists, labor union leaders, and the general public. An additional 900 copies were mailed or handed out in response to special requests by letter, telephone, or from persons visiting USCAR.

In the publications area, the branch made arrangements with the U.S. Army 7th Psychological Operations Group to print posters and 20,000 leaflets emphasizing conservation of water. PAD also maintained editorial control and provided guidance for all articles prepared for the High Commissioner's monthly Japanese language magazine, Shurei-no-Hikari; his annual calendar for the Ryukyuan people; and the annual Farmers, Foresters, and Fishermen's Almanac, compiled with the cooperation of the GRI.

Okinawa continued to be a popular topic among Japanese and Ryukyuan writers. During FY 1971, 39 commercially published books made their appearance, of which 27 were authored by Ryukyuan. Titles of some of the major books were:

Okinawa no Shinwa to Minzoku (Myth and Folklore of Okinawa) by Kensaburo Torikoshi, published by Taihei Shuppan-Sha, Tokyo.

Ryukyu Otogi Banashi (Fairy Tales of the Ryukyus) by Kohan Shinyashiki, published by Okinawa Fudoki-Sha, Naha.

Okinawa 1960-70 (Pictorial Okinawa--1960-70) by Tatsuo Kurihara, published by Asahi Shimbun-Sha, Tokyo.

Okinawa no Shiso (The Thinking of Okinawa) by Kenichi Tanigawa, published by Mokuji-Sha, Tokyo.

Okinawa no Rekishi (History of Okinawa) by Shuncho Higa, published by Sanichi Shobo, Tokyo.

Okinawa Bunka Shi (Cultural History of Okinawa) by Chosho Ahagon, published by Okinawa Times, Naha.

Okinawa Jin no Okinawa (Okinawa for Okinawans) by Eikichi Yamazato, published by Daiichi Hoki Shuppan-Sha, Tokyo.

Okinawa no Amerika Jin (Americans in Okinawa) by Shui Ikemiyagi, published by Simul Press, Inc., Tokyo.

Publication of commercially printed magazines in the Ryukyus remained limited. Largest in size and circulation was the monthly Okinawa Graph (Okinawa Pictorial Magazine), circulation 37,000, a Japanese language magazine with a few English captions. Other magazines were: Gekkan Okinawa (Monthly Okinawa), monthly, 5,000; Okinawa Jiji (Okinawa Current Topics), monthly, 5,000; Okinawa Seisan-Sei (Okinawa Productivity), bimonthly, 2,000; and Shin Okinawa Bungaku (New Okinawa Literature), quarterly, 3,000. This Week on Okinawa (pocket-size), weekly, 4,000, was published in English.

Community Relations

As in the previous year, PAD was assigned the responsibility of initiating and coordinating efforts for an islandwide Ryukyuan-American Beach Cleanup Campaign. It was kicked off on 24 July 1970 by 20 U.S. Navy personnel at Nashiro Beach in southern Okinawa.

U.S. Air Force
serviceman and
Onna-son villagers
shown cleaning up
Fuchaku Beach



Mayor Kotoku Toyama of Onna-son (R) discusses environmental
improvement and recycling project with students of
Kubasaki High School

On 4 August 1970, approximately 100 servicemen from the U.S. Army, Air Force, and Marines volunteered their services in a joint effort with Onna-son to clean up 15 public beaches along 17 miles of coastline in northwestern Okinawa. Also participating were more than 20 American Boy Scouts, 600 villagers, and 1,000 American and Ryukyuan school children. Two hundred and twenty 55-gallon drums were donated by the Army and Air Force to the municipality of Onna-son for use as trash receptacles.

In early August 1970, the U.S. Marines assisted in the cleaning of beaches at Ishikawa, Kushi, and Henoko. Forty trash barrels were placed on the beach near Ishikawa.

On 20 May 1971, three beach areas in Onna-son were cleaned by 78 students of Kubasaki-9, an American junior high school, with the enthusiastic support of Onna-son officials and the U.S. Marines. The project netted 770 pounds of scrap metal and over 1,500 pounds of glass which were subsequently "recycled."

PART IV

THE PREPARATORY COMMISSION

CHAPTER 20

THE PREPARATORY COMMISSION

The main functions of the Preparatory Commission (PrepCom) were set forth in diplomatic notes exchanged by Japanese Foreign Minister Kiichi Aichi and United States Ambassador to Japan Armin H. Meyer on 3 March 1970 (see Volume XVIII, pages 272-274, Civil Administration of the Ryukyu Islands Report).

During the period 1 July 1970 to 30 June 1971, the PrepCom Alternates, who are responsible for the day-to-day operations of PrepCom, held 88 formal meetings. During the same period, the PrepCom Principals (High Commissioner of the Ryukyu Islands Lieutenant General James B. Lampert, Government of Japan Ambassador Jiro Takase, and Government of the Ryukyu Islands Chief Executive Chobyō Yara) held five formal meetings. (See Volume XVIII, pages 258-260, Civil Administration of the Ryukyu Islands Report, for summaries of the first three meetings, which were held in FY 1970.)

At their fourth meeting, the PrepCom Principals approved a proposed review of proclamations and ordinances in relation to the application of the Status of Forces Agreement to Okinawa.

The PrepCom Principals, at their fifth meeting, approved initiation of a study by their Alternates and staffs of a comprehensive United States proposal entitled "Proposal to Facilitate the Transfer at Reversion of Civil Administrative Rights." Under this proposal, the United States Government would, with the agreement of the Government of Japan, progressively disengage itself from various administrative functions according to the following phases:

Phase I - From the present (time of adoption of the proposal) until a United States-Japan reversion agreement had been signed.

Phase II - From signature of a reversion agreement until achievement of necessary U.S. Congressional and Japanese Diet support.

Phase III - From the time of legislative approval until the day of reversion.

At their sixth meeting, the PrepCom Principals directed their Alternates to continue their work toward an agreement on implementation schedules for 17 advice and assistance and supervisory functions which, subject to specified conditions and exceptions, would be relinquished by the United States Government to the Government of Japan or would be shared with the Government of Japan.

The seventh meeting of the PrepCom Principals, held on 9 November 1970, was their most important meeting of the year. At that time, they approved a progress report from their Alternates which included an "Agreement to Facilitate a Smooth Transfer of Civil Administrative Rights of the United States to Japan upon Reversion." PrepCom forwarded this Agreement to Tokyo where it was approved on 19 November 1970 by the Japan-United States Consultative Committee. Under the Agreement, the Government of Japan assumed, effective 1 December 1970 and subject to certain exceptions and conditions, 14 functions which the United States Government relinquished. The Agreement also provided that the Government of Japan would participate with the United States Government in three additional functions.

The eighth meeting of the PrepCom Principals was featured by a 1-hour free discussion period, at which the Chief Executive of the Ryukyu Islands raised the following subjects: (1) treatment of military roads, (2) transfer of Naha Port to nonmilitary administration, (3) transfer of Naha Airport to nonmilitary administration, (4) immediate, safe, and complete removal of chemical weapons, (5) expansion of jurisdiction of GRI courts over criminal offenses, (6) measures for military employees, and (7) removal of live-firing training facilities of U.S. Forces.

(PrepCom did not issue a press statement after its fourth meeting. See pages 244 through 253, appendix II, for PrepCom's press statements covering its fifth, sixth, seventh, and eighth meetings.)

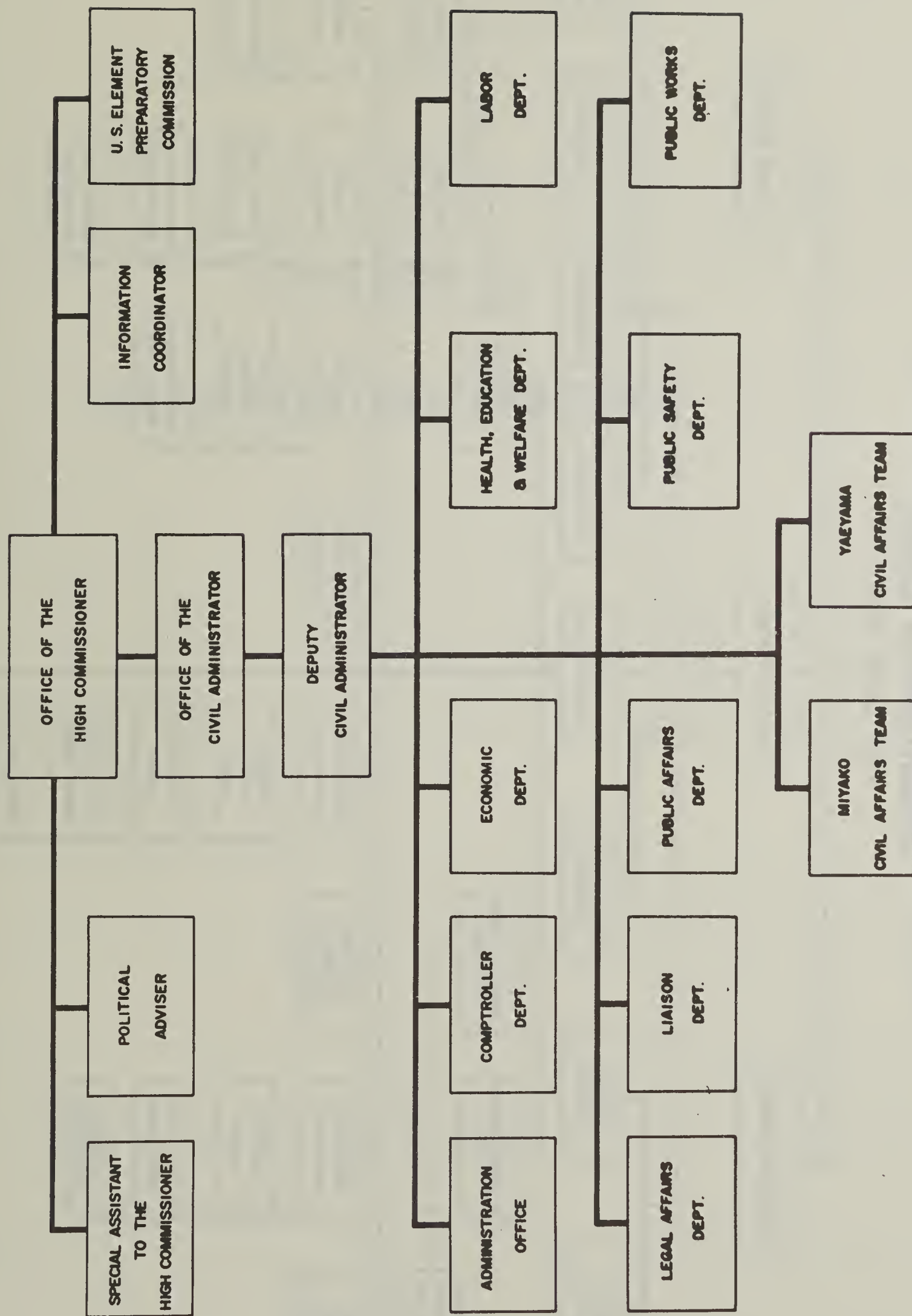
APPENDIX I

ORGANIZATIONAL CHARTS

UNITED STATES CIVIL ADMINISTRATION OF THE RYUKYU ISLANDS

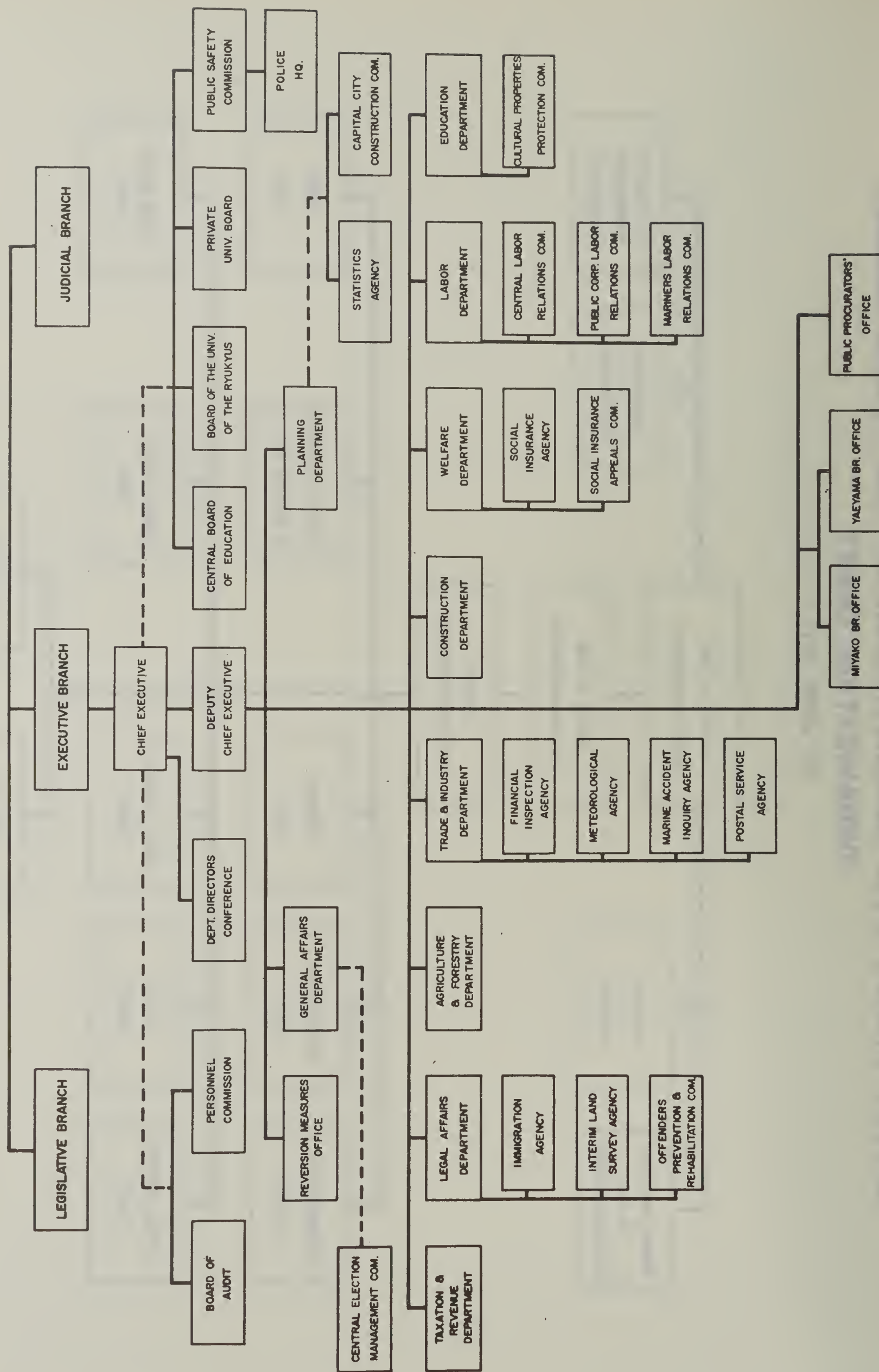
ORGANIZATION CHART

30 JUNE 1971



GOVERNMENT OF THE RYUKYU ISLANDS ORGANIZATION CHART

30 JUNE 1971



APPENDIX II

DOCUMENTS AND SPEECHES

CIVIL ADMINISTRATION DIRECTIVE NO. 1

1 August 1970

ESTABLISHMENT OF KINWAN PORT

1. The High Commissioner of the Ryukyu Islands, acting by and through the Civil Administrator, United States Civil Administration of the Ryukyu Islands, pursuant to the powers vested in him, hereby does authorize and establish as a port, designated and to be known as "Kinwan Port," the seabed, subsoil and superjacent waters within the following boundaries:

Along a one nautical mile arc centered at 26° 22' 22" N Latitude, 127° 58' 02" E Longitude beginning at a point 1 nautical mile NE located at 26° 22' 57" N Latitude, 127° 58' 57" E Longitude, continuing in a westerly direction along the arc to a point NW of the center of the arc located at 26° 22' 53" N Latitude, 127° 57' 05" E Longitude thence in a southwesterly direction to 26° 22' 00" N Latitude, 127° 56' 30" E Longitude, thence in a SS Easterly direction to the NW point of Henza Island at 26° 21' 07" N Latitude, 127° 56' 42" E Longitude. The area boundary continues along the high water line of Henza Island in an easterly direction to 26° 21' 08" N Latitude, 127° 57' 17" E Longitude thence in a NN Easterly direction to 26° 21' 52" N Latitude, 127° 57' 45" E Longitude thence NE to 26° 22' 00" N Latitude, 127° 58' 03" E Longitude thence NE to the starting point at 26° 22' 57" N Latitude, 127° 58' 57" E Longitude.

2. The said port shall be recognized and hereby is authorized as an unrestricted port of entry and exit with guaranteed free and safe access thereto, and egress therefrom, through the waters contained between Kushi Wan, Mangui Sho, Ikei Shima, Takabanare Jima, Nishino Iwa and Chin Saki.

3. Gulf Asian Terminals, Inc., hereinafter called the "Port Administration," hereby is authorized and empowered to exclusively operate and manage said port, and hereby is charged with the exclusive operation and management of said port, and in the conduct thereof, may do, as it may deem necessary, appropriate, or desirable, any or all of the following acts:

a. Operate the port, its facilities, ancillary and auxiliary services on a twenty-four-hour day basis;

b. Control the movement of all merchant vessels, barges, tugboats or small craft entering, leaving, maneuvering, berthing, unberthing and anchoring within the port;

c. Prohibit the entry into the port of any merchant vessel, barge, tugboat or small craft which in the opinion of the said Port Administration

could constitute a navigational danger or hazard within the port area or jeopardize the safety of the offshore or onshore facilities of the said Port Administration; or whereby the waters within the port limits are, or could be threatened with pollution;

d. Allocate the berth mooring or anchorage position to which all vessels, barges, tugboats or small craft are to proceed within the port limits;

e. Suspend all operations and movements within the port limits in periods of bad weather, poor visibility, and the like, for the safety of the port and/or its environment;

f. Direct, instruct, order, and require all merchant vessels, barges, tugboats or small craft to depart from the port limits in the event of a typhoon warning being received if, in the opinion of the said Port Administration, the port could not be considered a safe refuge;

g. Appoint, at its sole discretion and under such terms of employment as the said Port Administration considers necessary, appropriate, or desirable, Berthing Masters to assist in the safe maneuvering, including berthing and unberthing operations, of all vessels calling at any facility or berth within the port limits. Such Berthing Masters shall be under the sole control of the said Port Administration, and the compulsory use of such Berthing Masters shall be a condition of entry and departure for all vessels utilizing the facilities or berths within the port area;

h. Control and/or operate all tugboat, barge, line handling and workboats services that may be required to assist in the safe maneuvering, berthing, unberthing, cargo or storing operations of all vessels, or while serving the facilities within the port area. All tugboat services will be rendered under Standard Towage Conditions and the use of such number of tugboats as may be required by the Berthing Master is compulsory for all vessels loading, discharging or bunkering at any berth or facility within the port area;

i. Promulgate and issue such Port Regulations as the said Port Administration deems necessary, appropriate, or desirable for the safe operation of the port and all vessels operating therein;

j. Promulgate and issue such Terminal Regulations as the said Port Administration deems necessary, appropriate, or desirable for the safe operations of all vessels when within the port limits or while berthed at any facility or berth within the port area; such Terminal Regulations to include, but not being restricted to, the safety procedures to be adopted and observed by all vessels while engaged in loading, discharging, ballasting, deballasting or gas-freeing operations;

k. Prohibit the discharge of any dirty ballast, bilge water, or any other liquid, material or substance liable to cause pollution, from any vessel, tugboat, barge or craft within the port area;

l. Have sole control over any and all remedial action, or services, that may be required in the event of any oil spillage, or misadventure; occurring on, or from, any vessel, barge, tugboat, or craft or installation within the port limits whereby the waters of the port are polluted, or threatened with pollution. Such remedial action shall be at the expense of the vessel, barge, tugboat, craft or installation causing the pollution.

m. Authorize and control the removal of any wreck or obstruction that may occur within the port limits. Such removal shall be at the expense of the owner of the vessel, barge, tugboat, small craft, or persons causing the wreck or obstruction;

n. Control and operate any and all communication facilities that the said Port Administration deems necessary, appropriate, or desirable for the safe operation of the port, its facilities and all vessels therein. Any such communication equipment will conform to international standards and procedures and the requirements from time to time of the High Commissioner of the Ryukyu Islands;

o. Install, maintain and operate such navigational aids as the said Port Administration may deem necessary, appropriate, or desirable for the safe navigation of all vessels within the port limits and approaches thereto;

p. Have sole control over the design, construction and location of any facility or berth, permanent or otherwise that may be installed and/or erected within the port limits;

q. Instruct the owners or masters of any merchant vessel, barge, tugboat or small craft intending to use the said port to comply with any and all of the international, national, local regulations and statutes governing quarantine, customs, immigration, collisions at sea, safety at sea, oil in navigable waters, loadline conventions, and the like;

r. Levy port service charges on any and all vessels utilizing facilities and services of the said Port Administration within the port area. Any such charges shall be compatible with the nature, type and cost of the services rendered or available.

s. Do, without in any way limiting the generality of the foregoing, any or all such further or other acts or things as will ensure the full, free, safe and effective operation and management of the port in the manner and for the purpose contemplated in this Directive.

4. For the purpose of Civil Administration Ordinance Number 131, 11 March 1954, entitled "Entry and Exit of Non-Ryukyuan Surface Vessels," in its application to Kinwan Port, and Gulf Asian Terminals, Inc., (1) each application for entry of merchant vessels under paragraph 3a of said Ordinance will be submitted as much in advance as is consistent with operational feasibility and not as therein stated; (2) in addition to the

requirements provided for under paragraph 4a of said Ordinance, Gulf Asian Terminals, Inc., will notify the U.S. Army Naha Port Harbormaster as soon as possible of the time of arrival at the entrance channel to Kin Bay, and of the scheduled departure time from Kin Bay through the same channel. The purpose of the foregoing requirements is to avoid conflicting traffic within the said channel. (3) And the said Gulf Asian Terminals, Inc., shall be absolved from the duties called for under paragraph 6b of said Ordinance except in respect of any requisite clearance from the customs authorities of the Government of the Ryukyu Islands.

5. Gulf Asian Terminals, Inc., shall not be required to pay any annual, periodic or other tax, assessment, levy, duty, excise, rental, or other charge, fee, exaction, or imposition, or to obtain any license, permit, or other authorization, regardless of the governmental level, subdivision, agency, or office concerned, by reason merely of the establishment of Kinwan Port under this Directive and the use and the conduct of the operation and management of the said port pursuant thereto.

6. The said Kinwan Port shall be deemed (1) a designated port of entry within the meaning of Civil Administration Ordinance Number 125, 11 February 1954, entitled "Control of Entry and Exit of Individuals Into and From the Ryukyu Islands," and an authorized port of entry and exit within the meaning of Civil Administration Ordinance Number 131, 11 March 1954, entitled "Entry and Exit of Non-Ryukyuan Surface Vessels," (2) an open port within the meaning of Government of the Ryukyu Islands Act No. 56, 1956, entitled "An Act Concerning Customs Formalities," and Government of the Ryukyu Islands Act No. 46, 1962, entitled "Act Concerning Vessels," and (3) a quarantine seaport and a quarantine area within the meaning of Government of the Ryukyu Islands Act No. 9, 1965, entitled "Quarantine Act," and except as otherwise provided in this Directive the aforesaid Civil Administration Ordinances and Government of the Ryukyu Islands Acts shall be applicable to the operation and management of the said Kinwan Port, by the said Gulf Asian Terminals, Inc.

7. The provisions of (1) paragraphs 5b, 7b, 7d(1), 10, 13, 14, 17, 19a, b, c, d, e, and k, and 31, Regulation Number 56-1, Headquarters 2d Logistical Command, APO San Francisco 96248, 6 September 1966, entitled "Water Transportation Facilities and Activities, Port Regulations," or regulations hereafter enacted containing provisions identical with or, although not identical with but similar to the foregoing cited paragraphs of said Regulation Number 56-1, (2) Government of the Ryukyu Islands Act No. 59, 1954, entitled "An Act Concerning Ports and Harbors," (3) Government of the Ryukyu Islands Act No. 64, 1955, entitled "An Act Concerning Port Stevedoring and Terminal Operation Business," and (4) Government of the Ryukyu Islands Act No. 156, 1959, entitled "Pilot Law," shall not be applicable to the said Kinwan Port, nor to the operation and management thereof by Gulf Asian Terminals, Inc., nor to merchant vessels of Non-Ryukyuan registry, barges, and tugboats entering, leaving, maneuvering, berthing, unberthing, anchoring in, or otherwise using the said port, nor to officers, seamen, or other personnel of said merchant vessels, barges, and tugboats.

8. The High Commissioner of the Ryukyu Islands may make such use of the said Kinwan Port, or of its facilities, as he shall determine to be necessary, in the event of a military or civil emergency within the Ryukyu Islands.

9. The United States of America shall not be liable in any case for any damages or injuries which may be caused by or result from the operation and management of the said Kinwan Port, by the said Gulf Asian Terminals, Inc., or from any use whatsoever of said Kinwan Port, other than by the United States. The said Gulf Asian Terminals, Inc., shall hold the United States of America, its agencies, instrumentalities, and officers and employees free, safe, and harmless from any and all claims, damages, debts, demands, actions or causes of action whatsoever arising out of or connected with the operation and management of said Kinwan Port, by the said Gulf Asian Terminals, Inc., or arising out of or connected with any use of said Kinwan Port, by any person, firm, or corporation whatsoever other than by the said United States of America, its agencies, instrumentalities, officers, and employees.

10. The authority, and the rights and privileges granted to the said Gulf Asian Terminals, Inc., by this Directive, shall continue and remain in force and effect, as long as the permit heretofore granted the said Gulf Asian Terminals, Inc., on 10 November 1969, to use the said seabed, subsoil and superjacent waters in the boundaries described in paragraph 1 above shall continue and remain in force and effect, and shall cease, terminate, and be of no further force and effect when said permit terminates and is of no further force and effect. Further, failure by Gulf Asian Terminals, Inc., to comply with the provisions of the aforesaid permit or of this Directive shall be grounds for the High Commissioner to suspend or terminate the rights, powers, and privileges granted to the said Gulf Asian Terminals, Inc., under this Directive.

11. Gulf Asian Terminals, Inc., its successors or assigns, may assign the rights, powers, and privileges granted to it under this Directive to any person, firm, or corporation.

12. Provided that it be consistent with applicable law, and unless or until amended or appealed, this Directive and all the provisions thereof shall be binding upon and inure to the successors of the High Commissioner of the Ryukyu Islands and to the successors or assigns of Gulf Asian Terminals, Inc.

13. The effective date of this Directive shall be the 1st day of August 1970.

FOR THE HIGH COMMISSIONER:

/s/ ROBERT A. FEAREY
Civil Administrator

THE PREPARATORY COMMISSION
PRESS STATEMENT
5 AUGUST 1970

The Preparatory Commission held its fifth meeting on 5 August. In attendance at the Commission's offices in Naha were the United States Representative, High Commissioner James B. Lampert; the Representative of the Government of Japan, Ambassador Jiro Takase; and the Adviser to the Commission, Mr. Chobyō Yara, Chief Executive of the Government of the Ryukyu Islands.

The Commission members approved a progress report from their Alternates. According to this report, the Alternates and their staffs are studying a comprehensive United States proposal entitled "Proposal to Facilitate the Transfer at Reversion of Civil Administrative Rights." The Commission Representatives for the Governments of Japan and of the Ryukyu Islands agree that this proposal will facilitate preparations for a smooth transfer of administrative rights.

Based on deliberations by Representatives of the three Governments in the Commission, the United States Government would, with the agreement of the Government of Japan, progressively disengage itself from various administrative functions it now performs according to the following phases:

Phase 1 - From the present until a United States-Japan reversion agreement has been signed.

Phase 2 - From signature of a reversion agreement until achievement of necessary U.S. Congressional and Japanese Diet support.

Phase 3 - From the time of legislative approval until the day of reversion.

The Alternates also informed the Commission of the progress made by the Subcommittee on "Local Preparations to Facilitate Application to Okinawa of SOFA." Among other steps taken, an ad hoc panel has been formed to study U.S. ordinances and proclamations that are related to articles in the U.S.-Japan Status of Forces Agreement. The objective is to determine what local legislative or other actions might be required to prepare for the application of the SOFA to Okinawa at the time of reversion.

The next meeting of the Commission will be held on Wednesday, 2 September 1970.

Note: PrepCom held its fourth meeting on 1 July 1970; however, no press statement was issued.

THE PREPARATORY COMMISSION
PRESS STATEMENT
16 OCTOBER 1970

The Preparatory Commission held its sixth meeting on 16 October. In attendance at the Commission's offices in Naha were the United States Representative, High Commissioner James B. Lampert; the Representative of the Government of Japan, Ambassador Jiro Takase; and the Adviser to the Commission, Mr. Chobyō Yara, Chief Executive of the Government of the Ryukyu Islands.

The Commission members approved a progress report from their Alternates that includes 17 advice and assistance and supervision functions which, subject to certain conditions and exceptions, would be relinquished by the United States to the GOJ at a time to be agreed upon as soon as possible. These functions are as follows:

1. Supervision over Administration of the Japanese Government Aid Program to the Ryukyus.
2. Provision of Advice and Assistance to the Agriculture and Forestry Department, GRI.
3. Provision of Advice and Assistance to the Construction Department, GRI.
4. Provision of Advice and Assistance to the Education Department, GRI.
5. Provision of Advice and Assistance to Courts, GRI Legal Affairs Department, and Public Procurator's Office.
6. Provision of Advice and Assistance to the General Affairs Department, GRI.
7. Provision of Advice and Assistance to the Trade and Industry Department, GRI.
8. Provision of Advice and Assistance to the Welfare Department, GRI.
9. Provision of Advice and Assistance to the GRI in Administration of Labor Programs and Development of Labor Unions.
10. Provision of Advice and Assistance to the GRI in Collection, Analysis, and Reporting of Economic Statistics and Forecasts.
11. Provision of Advice and Assistance to Prisons and Reformatories.

12. Provision of Advice and Assistance to Fire Departments in the Ryukyu Islands.

13. Provision of Advice and Assistance to the GRI on the Operation and Maintenance of Non-U.S.-Owned Maritime Aids to Navigation.

14. Provision of Advice and Assistance to Ryukyuan-Owned and -Operated Business Enterprises.

The GOJ will participate with the USG in the following functions:

1. Provision of Advice and Assistance to the GRI on the Formulation of GRI Budgets.

2. Provision of Advice and Assistance to the GRI on the Management of the Trust Fund Bureau Fund.

3. Provision of Advice and Assistance to the GRI on Taxation and Revenue Matters.

The Commission directed the Alternates to continue their work on the transfer of administrative rights, including any functions that may be added to Phase 1. They note that functions under Phases 2 and 3 will be considered in due course.

The next meeting of the Commission will be held on Monday, 9 November 1970.

THE PREPARATORY COMMISSION
PRESS STATEMENT
9 NOVEMBER 1970

The Preparatory Commission held its seventh meeting on 9 November. In attendance at the Commission's offices in Naha were the United States Representative, High Commissioner James B. Lampert; the Representative of the Government of Japan, Ambassador Jiro Takase; and the Adviser to the Commission, Mr. Choby Yara, Chief Executive of the Government of the Ryukyu Islands.

The Commission members approved a progress report from their Alternates which included an "Agreement to Facilitate a Smooth Transfer of Civil Administrative Rights of the United States to Japan upon Reversion." The Commission will now forward the Agreement to Tokyo as an implementation schedule for approval by the Japan-United States Consultative Committee.

The Government of Japan (GOJ) will assume, subject to certain exceptions and conditions, 14 Phase 1 functions which the United States Government (USG) will relinquish. The GOJ will assume these functions effective 1 December 1970. The procedures and conditions for the delegation or relinquishment of civil administrative functions in Phases 2 and 3, and of any functions which may be added to Phase 1, will be decided later.

Among the functions to be relinquished to the GOJ will be supervision over the execution of GOJ aid programs to the Ryukyus. However, the United States will maintain the function of review and approval of Japanese annual aid programs. In addition, the GOJ will participate with the USG, subject to certain conditions and exceptions, in providing advice and assistance to the Government of the Ryukyu Islands (GRI) on the formulation of GRI budgets, in the management of the GRI Trust Fund Bureau Fund, and on taxation and revenue matters.

The 14 functions to be relinquished concern in addition advice and assistance to the GRI in the fields of agriculture and forestry, construction, education, legal and judicial matters, trade and industry, welfare, labor programs and unions, statistics, correctional institutions, fire control, aids to navigation, and Ryukyuan-owned and -operated business enterprises.

In the areas in which functions are to be relinquished, the United States will retain advice and assistance functions in such matters as: international reports; U.S.-funded construction projects, food assistance, scholarship programs, and certain public health and welfare projects; police; certain labor matters; taxation policy and taxation of non-Ryukyuan; and controls over immigration, foreign investment, cotton textile quotas, and telecommunications.

Recognizing that the GOJ may have a need to provide advice and assistance to the GRI to facilitate changes at reversion in civil administrative areas specifically reserved to the USG prior to reversion day, it was agreed that the GOJ will obtain advance USG concurrence before providing advice and assistance which could involve alteration of existing procedures, institutions, or activities in the prereversion period.

Following is a full list of the 14 Phase 1 functions which, subject to the exceptions indicated, will be relinquished to the GOJ on 1 December 1970:

1. Supervision over the Administration of the GOJ Aid Program to the Ryukyus.

The relinquishment does not include the function of review and approval of the proposed annual GOJ aid program prior to its submission to the Japanese Ministry of Finance. Also, the USG will continue to perform the function of final review and approval of the proposed GOJ aid program before it is submitted to the Japanese Cabinet for approval. Furthermore, once it has received Cabinet approval, any changes, other than minor changes in the aid program, will be subject to USG concurrence.

2. Provision of Advice and Assistance to the Agriculture and Forestry Department, GRI.

The relinquishment does not include the following advice and assistance functions which the USG will continue to perform until reversion:

Advice and assistance to the GRI on:

- a. The preparation and submission to the United Nations of annual reports on agriculture, forestry, and fishing matters;

- b. The preparation of the annual forestry activities report prepared by the GRI for submission to the United States Government Ryukyuan Property Custodian.

3. Provision of Advice and Assistance to the Construction Department, GRI.

The relinquishment does not include advice and assistance on construction projects financed wholly or in part with U.S. aid funds.

4. Provision of Advice and Assistance to the Education Department, GRI.

The relinquishment does not include:

a. Advice and assistance concerning the U.S.-funded Ryukyuan Scholarship Program;

b. Advice and assistance concerning U.S.-funded construction projects in the education field;

c. Advice and assistance concerning the U.S.-funded PL 480 School Lunch Program until termination of this program at reversion.

5. Provision of Advice and Assistance to the GRI Courts, Legal Affairs Department, and Public Procurator's Office.

However, the relinquishment shall not include the provision of advice and assistance on the entry and exit of persons into and from the Ryukyu Islands.

6. Provision of Advice and Assistance to the General Affairs Department, GRI.

The relinquishment does not include advice and assistance tendered by the USG to the General Affairs Department concerning proposed GRI legislation.

7. Provision of Advice and Assistance to the Trade and Industry Department, GRI.

The USG will, however, continue to advise and assist the Trade and Industry Department concerning foreign trade/investment controls.

The USG will continue to advise and assist the Financial Inspection Agency and the Postal Service Agency of the Trade and Industry Department until reversion.

The USG will also continue to advise and assist the Telecommunications Division of the Trade and Industry Department and approve or disapprove the licensing of radio stations and the selection and assignment of radio frequencies in the Ryukyu Islands until reversion.

8. Provision of Advice and Assistance to the Welfare Department, GRI.

The relinquishment does not include the following advice and assistance functions which the USG will continue to perform:

a. Advice and assistance concerning U.S.-funded construction of health centers, subhealth centers, and public health nurse stations until completion of current programs;

b. Advice and assistance concerning U.S.-funded construction/equipping of general hospitals, aid stations, and institutionalized care

hospitals for TB, mental, and leprosy patients until completion of current programs;

c. Advice and assistance concerning U.S.-funded programs for eradication and/or control of communicable disease, including development of environmental sanitation programs and facilities, until U.S. financial support ceases;

d. Advice and assistance concerning the U.S.-funded postgraduate medical education program for physicians at Okinawa Central Hospital until completion of this program at the end of FY 1971;

e. Advice and assistance concerning the USG "aid-in-kind" maternal/child-feeding program until termination of the program at the end of FY 1971.

The relinquishment also does not include the following advice and assistance functions which the USG will continue to perform until reversion:

a. Advice and assistance concerning the planning, programming, and coordinating of World Health Organization-sponsored health trainee fellowships and consultant services;

b. Advice and assistance concerning the collection of statistical data on narcotics consumption in the Ryukyus. The USG will continue to submit periodic reports on narcotics consumption in the Ryukyus to the International Narcotics Control Board of the United Nations;

c. Advice and assistance on all matters pertaining to the GRI Social Insurance Agency. The GOJ, however, will participate with the USG in the exercise of this advice and assistance function;

d. Advice and assistance concerning coordination, as necessary, of money and materials given to the GRI and private welfare institutions by private donor agencies.

9. Provision of Advice and Assistance to the GRI in Administration of Labor Programs and Development of Labor Unions.

This relinquishment does not include advice and assistance to the GRI on labor matters and labor legislation impinging on U.S. Forces interests. The USG will continue to provide advice and assistance to the GRI in this area of its operations until reversion.

10. Provision of Advice and Assistance to the GRI in Collection, Analysis, and Reporting of Economic Statistics and Forecasts.

The relinquishment does not include the following advice and assistance functions which the USG will continue to perform until reversion:

- a. United Nations Reports;
- b. National Income Statistics;
- c. Demographic Statistics.

11. Provision of Advice and Assistance to GRI Prisons and Reformatories.

The relinquishment does not include the following advice and assistance functions which the USG will continue to perform until reversion:

- a. Advice and assistance to the GRI concerning U.S. citizens in Ryukyuan penal or correctional institutions;

- b. Advice and assistance to GRI Police Headquarters.

12. Provision of Advice and Assistance to Fire Departments in the Ryukyu Islands.

13. Provision of Advice and Assistance to the GRI on the Operation and Maintenance of Non-U.S.-Owned Maritime Aids to Navigation.

14. Provision of Advice and Assistance to Ryukyuan-Owned and -Operated Business Enterprises.

This relinquishment does not include the following advice and assistance functions which the USG will continue to perform until reversion:

- a. Advice and assistance concerning application of U.S. Government regulatory measures in foreign trade including: Foreign Assets Control Regulations, currency control regulations, and Fair Trade Practices;

- b. Advice and assistance concerning application of quota limitations on cotton textile exports as provided for under the Long-Term Cotton Textile Arrangement;

- c. Advice and assistance concerning U.S. suppliers of basic materials required by Ryukyuan enterprises.

It was further agreed that the GOJ will participate with the USG effective 1 December 1970 in the following functions:

- 1. Provision of Advice and Assistance to the GRI on the Formulation of GRI Budgets;

- 2. Provision of Advice and Assistance to the GRI on the Management of the Trust Fund Bureau Fund;

3. Provision of Advice and Assistance to the GRI on Taxation and Revenue Matters.

The following functions relating to taxation and revenue matters will continue to be performed exclusively by USCAR:

a. Final approval or disapproval of proposed GRI tax legislation and budget revenue estimates;

b. Control over tax policy affecting non-Ryukyuan persons and firms in the Ryukyus;

c. Although the GRI will continue day-to-day administration of the Foreign Assets Control Regulations of the U.S. Treasury Department, the USG will retain final decision-making authority over their application until reversion.

It was agreed that further functions may be added to this schedule by agreement of the parties.

The Commission will announce at a later time the date of its December meeting.

THE PREPARATORY COMMISSION
PRESS STATEMENT
27 JANUARY 1971

The Preparatory Commission held its eighth meeting on 27 January. In attendance at the Commission's offices in Naha were the United States Representative, High Commissioner James B. Lampert; the Representative of the Government of Japan, Ambassador Jiro Takase; and the Adviser to the Commission, Mr. Chobyō Yara, Chief Executive of the Government of the Ryukyu Islands.

The formal meeting was devoted to a review of PrepCom accomplishments in 1970 and to planning for 1971. The High Commissioner announced that the U.S. Alternate Representative, Minister Schodt, will leave in mid-February and that he will be succeeded at that time by Civil Administrator Fearey. The Commission will announce at a later time the date of its next meeting.

The formal meeting was preceded by a one-hour free discussion period. During this period, the Chief Executive discussed the following seven points with his colleagues:

1. Treatment of Military Roads.
2. Transfer of Naha Port to Nonmilitary Administration.
3. Transfer of Naha Airport to Nonmilitary Administration.
4. Immediate, Safe, and Complete Removal of Chemical Weapons.
5. Expansion of Jurisdiction of GRI Courts over Criminal Offenses.
6. Measures for Military Employees.
7. Removal of Live-Firing Training Facilities of U.S. Forces.

JOINT ANNOUNCEMENT ON EXPANDED U.S. FORCES
AND GRI POLICE COOPERATION
24 AUGUST 1970

United States Forces on Okinawa and the Government of the Ryukyu Islands (GRI) police today jointly announced agreement on expanded U.S. and GRI police cooperation climaxing a series of meetings held by U.S. and Ryukyuan officials.

A nine-point basic program for strengthened cooperation, including improved procedures for joint investigations, notifications, and public information dissemination concerning incidents involving military personnel and Ryukyuans was announced by Colonel M. M. Wheatley, Provost Marshal of the Ryukyu Islands Armed Forces Police; Chief Tokusuke Arakaki of the GRI Police Headquarters; and H. N. Simmons, Director, Public Safety Department, U.S. Civil Administration of the Ryukyu Islands (USCAR).

The meetings, attended by the top American and Ryukyuan law enforcement and legal officials on Okinawa, are part of a continuing series devoted to expansion of U.S. and GRI cooperation. One of the main purposes of these meetings is to update and revise the existing Memorandum of Understanding signed by U.S. and GRI police officials on April 17, 1967.

With agreement reached on the nine basic points, the officials expect that the updated and revised Memorandum will be completed in the near future.

Among the main points agreed thus far are:

1. Improved arrangements to permit GRI police access into U.S. installations while assisting in criminal investigations in which Ryukyuans are victims or offenders. This will include the opportunity to visit the scenes of incidents and to participate in the interrogation of Ryukyuan witnesses on base.

2. U.S. authorities will give due consideration to GRI police requests regarding the presence on base of police representatives for the purpose of keeping informed on U.S.-conducted investigations. These GRI police representatives may, for example, be present at the scene where an on-base incident occurred, at the arrest of a U.S. Forces suspect, and at interrogations on base.

3. When an arrest of a U.S. Forces suspect is made off-base by GRI police, the latter may, in their best judgment, remove the suspect to the nearest GRI police station prior to his transfer to U.S. authorities. Such transfer will, in any case, be made as expeditiously as possible.

4. Improved procedures for prompt notification to the GRI regarding incidents both on and off-post involving U.S. Forces personnel and

Ryukyuan. The GRI and U.S. authorities will thus have the opportunity from the outset to participate in joint investigations and cases involving the U.S. Forces and Ryukyuan.

5. Improved arrangements allowing pursuing GRI police entry into U.S. installations in serious felony cases when accompanied by post security personnel. While on post, GRI police will act as official observers while U.S. authorities continue to conduct investigations and make arrests.

6. Strengthening of joint U.S. and GRI police patrols to prevent and handle incidents. Special attention will be given to potential high crime areas and to road traffic safety.

7. Closer coordination between the GRI and its agencies and the U.S. Forces in exchanging interim and final reports on criminal cases of mutual interest, including the disposition of U.S. and Ryukyuan offenders. Also provided by the United States will be advance notice on trial dates as well as the results of courts-martial. Further, the U.S. Forces will continue to give full consideration consistent with legal requirements to the prompt charging of a criminal suspect involved in an offense against a Ryukyuan and his retention in this Command until final disposition of the case.

8. Closer cooperation and exchange of information on autopsies performed on Ryukyuan decedents found within a U.S. installation or brought to a U.S. medical facility. In cases where there is a U.S. interest, GRI experts will have the opportunity to consult with U.S. Forces medical personnel and observe autopsies conducted by the U.S. Forces. In all other cases, the body will be turned over to the GRI police.

9. Intensified orientation of all on-island U.S. Forces personnel (both newly arrived Armed Forces police and all other military personnel) concerning Okinawan customs and traditions, and the special importance of proper behavior while off-post.

Top officials at the conferences were, from the GRI: Police Headquarters Chief Tokusuke Arakaki; Yuichi Omura, Chief, Criminal Affairs Division; and Isamu Yasuda, Chief, No. 1 Investigation Section, Criminal Affairs Division; from the U.S. Army, Ryukyu Islands: Colonel Melford M. Wheatley, Provost Marshal of the Ryukyu Islands Armed Forces Police; Lieutenant Colonel William J. Nork, Deputy Provost Marshal; Colonel C. E. Carney, Staff Judge Advocate; from the U.S. Civil Administration of the Ryukyu Islands: Public Safety Department Director Harriman N. Simmons and Legal Affairs Department Director Lieutenant Colonel Richard K. McNealey; from the U.S. Air Force, 313th Air Division: Colonel E. W. Boucher, Staff Judge Advocate; Lieutenant Colonel J. H. Kramb, Commander, 43d District, Office of Special Investigations; Lieutenant Colonel Joseph A. Lynn, Commander, Base Security Police, Kadena Air Base; and from the U.S. Marine Corps Base, Camp Butler: Lieutenant Colonel J. Mallory, Staff Judge

Advocate; Major R. F. Powers, Provost Marshal; Captain R. C. Farrand, Provost Marshal, 3d Marine Division.

The multi-point program, together with other technical arrangements to be agreed, will be reflected in a new Memorandum of Understanding being drafted by a joint U.S.-GRI group.

REVISED MEMORANDUM OF UNDERSTANDING
FOR INVESTIGATIVE PROCEDURES
18 NOVEMBER 1970

ARTICLE I - PURPOSE

WHEREAS, it is desired to promote additional understanding and cooperation between the Ryukyuan Armed Forces Police, the other law enforcement and investigative agencies of the U.S. military services on Okinawa, the Public Safety Department, USCAR, and the GRI Police, hereinafter referred to as "parties" or "agencies", and,

WHEREAS, a written memorandum will be helpful in delineating the areas of cooperation, this MEMORANDUM OF UNDERSTANDING is entered into to effectuate closer cooperation and effectiveness of the aforementioned agencies. It is understood, however, that this Memorandum will be of no effect insofar as it is inconsistent with or contrary to High Commissioner or Civil Administration Proclamations, Ordinances, and Directives, and other Laws and Regulations issued by duly constituted governmental agencies established in the Ryukyu Islands.

ARTICLE II - GENERAL

1. The parties to this Memorandum may, in accordance with the remaining articles of this Memorandum, request or offer assistance to one another in any case where it appears such assistance is mutually advantageous.

2. If a request for assistance is received by one of the parties in accordance with the procedure outlined herein, the party receiving the request will comply if it has the capability as judged by the circumstances then prevailing.

3. The general areas of investigative responsibility are outlined in Article III below and disagreements will be settled in accordance with the provisions of Article VIII and Article IX below.

4. The U.S. Forces will continue to give full consideration consistent with legal requirements to the prompt charging of a criminal suspect involved in an offense against a Ryukyuan and his retention in this command until final disposition of the case.

5. Whenever reference is made to "U.S. Forces Personnel" in this Memorandum it shall mean: "Members of the United States Forces or the civilian component, employees of the United States Government who are United States nationals, and non-Ryukyuan dependents of the foregoing." Definitions of terms used in the foregoing are as set forth in Section 10f, Executive Order 10713, dated 5 June 1957, as amended.

ARTICLE III - INVESTIGATION RESPONSIBILITY

1. RAFP and GRI Police will work together to strengthen the current joint traffic patrol operation, and will expand the joint patrol operation to encompass nontraffic areas subject to manpower or logistical limitations only.

2. Investigations of crimes committed within U.S. military installations in the Ryukyus will, for the most part, be conducted by U.S. military investigators. If the suspect and the victim are both Ryukyuan or if the suspect is a Ryukyuan, the case will normally be transferred to the GRI Police. However, in exceptional cases as determined by the USARYIS Provost Marshal or respective service installation Provost Marshal or their designated representative, the investigation will be conducted by U.S. military investigators.

3. Crimes committed outside of U.S. military installations, where the suspect(s) is (are) identified as being other than U.S. Forces Personnel, primarily will be investigated by GRI Police investigators, but U.S. military investigators will furnish assistance when requested. In those cases where the suspect's identity is unknown, both investigative agencies will work the case, keeping each other informed of their progress, with the GRI Police assuming primary jurisdiction until such time as it becomes apparent that a member of the U.S. Forces Personnel is (are) suspect. When this occurs, the agency having primary investigative interest will take over the case, but the other agency will furnish assistance as requested within their capability. Crimes committed by U.S. Forces Personnel primarily will be investigated by U.S. military investigators, and the GRI Police will render assistance if requested by U.S. military investigators.

4. In serious cases involving Ryukyuan victims or offenders over which the United States has primary investigative responsibility, the GRI Police will, when deemed appropriate by the respective service Provost Marshal, be permitted access into U.S. military installations to visit the scenes of incidents, talk to Ryukyuan victims, participate in interviews of Ryukyuan witnesses and suspects, observe lineups, searches, and apprehensions, and otherwise observe and/or assist in investigations. When any of these events occur outside of installations during investigations of the above-described cases, GRI Police will be invited to participate in the above-described manner. U.S. military investigative agencies will, whenever necessary, assist GRI Police in entering the installations.

ARTICLE IV - NOTIFICATION OF INCIDENTS

1. When any party to this Memorandum of Understanding becomes aware of any incident (criminal, traffic, or other) occurring on or off-post which involves both U.S. Forces Personnel and non-U.S. Forces Personnel, or which falls within the investigative responsibility of another party, that party shall immediately notify the other party, giving, when possible:

- a. Date, time, and place of incident.
- b. Description of persons involved.
- c. Brief explanation of what happened.

2. When a U.S. military investigative agency becomes aware of any incident (criminal, traffic, or other) within a U.S. military installation resulting in death or serious injury to non-U.S. Forces Personnel, it shall immediately notify the GRI Police and, when deemed appropriate by the respective service Provost Marshal, assist them in entering the installation.

3. When the GRI Police or the Public Safety Department, USCAR, becomes aware of any incident (criminal, traffic, or other) outside of a U.S. military installation resulting in death or serious injury to U.S. Forces Personnel, it shall immediately notify the U.S. military investigative agency concerned and render any assistance desired.

4. The above provisions will ensure that the GRI and U.S. authorities will have the opportunity from the outset to participate in joint investigations of cases involving U.S. Forces Personnel and Ryukyans.

ARTICLE V - INVESTIGATION PROCEDURE

1. Protection of the Scene of Crime and Handling of Evidence.

a. The first law enforcement agency to arrive at the scene of any crime will take appropriate action to protect the scene of the crime, to render assistance to the victim if necessary, detain suspects, collect and preserve evidence, and to take other action of an urgent nature deemed necessary. The case will then be retained by or turned over to that agency which has primary investigative responsibility as set forth in Article III. The investigation procedure from that point will be as prescribed by the agency having primary investigative responsibility in accordance with its laws, directives, and regulations, and in accordance with this Memorandum.

b. If the victim refuses to cooperate with the agency having primary investigative responsibility because of the differences of customs, language, nationality, or any other reason, the case may be investigated or partially investigated by the agency designated by the victim if this is mutually agreeable to the agencies concerned.

c. Each investigative agency in all stages of investigation will exercise caution so as not to hinder prosecution by the agency that has court jurisdiction of the case. This will include particular attention to:

- (1) Collection of evidence at the scene of the incident.

(2) Expert analysis of evidence.

(3) Expert opinion relating to physical and mental condition of suspects and victims.

(4) Autopsy.

(a) Upon request of either party, information will be exchanged on the procedures followed and results of autopsies performed on Ryukyuan decedents whose bodies are discovered within U.S. military installations or brought to U.S. medical facilities. In cases where there is a U.S. Forces interest, GRI Police and medical experts may observe autopsies conducted by the U.S. Forces on Ryukyuan decedents subject to the limitations imposed by the medical authorities. In all other cases of Ryukyuan decedents, the body will be turned over to the GRI Police.

(b) U.S. Forces Personnel decedents will be autopsied by U.S. Forces medical personnel regardless of where the body is discovered.

d. Evidentiary material relating to the identity of an offender obtained by one agency shall be turned over to that agency having primary investigative responsibility, together with a report explaining the process of obtaining the evidence if such a report is requested.

2. Arrest, Apprehension, and Detention of Suspects.

a. Arrest and search of persons other than members of the U.S. Forces as defined in Section 10f(1) of Executive Order 10713, dated 5 June 1957, is governed by Section 1.4.1, CA Ordinance #144, under the circumstances outlined therein.

b. The power of arrest by the GRI Police of U.S. Forces Personnel is governed by CA Ordinance 87, dated 23 October 1952. When the GRI Police apprehend a U.S. Forces Personnel suspect off-base, they may transport him to the nearest police box or police station prior to turning him over to U.S. authorities. The GRI Police will make every effort to safeguard the suspect's property and, in any case, transfer custody of the suspect as expeditiously as possible.

c. Arrest and apprehension of individuals in categories other than those mentioned in a and b, above, shall be in accordance with pertinent law.

d. Any agency may request the assistance of another agency in making an arrest or apprehension in which case it should be complied with as soon as possible and in accordance with pertinent law.

e. GRI Police will be permitted entry onto nonclassified U.S. installations when in pursuit of persons they have observed committing

crimes punishable by three or more years imprisonment under the UCMJ (list at Annex A), in accordance with the following:

(1) If the entry point is a gate manned by a gate guard, this guard will provide all assistance to GRI Police in preventing flight of U.S. offenders onto U.S. military installations.

(2) If the offender cannot be stopped by the gate guard, the GRI Police, accompanied by the guard or U.S. Forces police, will be allowed to continue the pursuit on-post.

(3) If there is no guard, the GRI Police may enter without receiving permission, except in the case of Air Force installations, which GRI Police cannot enter unaccompanied by Security Police.

(4) In any case, the pursuit by GRI Police unaccompanied by U.S. Forces police may continue only until the suspect has entered a building. At that point the pursuit must cease, and the GRI Police must notify the U.S. military police agency having jurisdiction over the installation, and ask that U.S. military police authorities continue the search. U.S. military authorities will search with GRI Police as observers.

(5) If an offender is apprehended by GRI Police outside a building, he will be processed in accordance with CA Ordinance 87 as if he were apprehended off-post, but under no circumstances will the GRI Police remove the person from the military installation on which he was apprehended. If he is apprehended by U.S. military authorities, he will be processed in accordance with the UCMJ and local military regulations.

(6) Whenever GRI Police enter a U.S. military installation in pursuit, they must report to military police authorities before leaving the installation and explain why they entered and what the results were.

3. Witnesses.

a. All agencies will assist and cooperate with each other in questioning and obtaining statements from witnesses. Statements of witnesses should be forwarded as soon as possible to the requesting agency. An agency which receives a request for a statement will forward it to the requesting agency in both English and Japanese insofar as it is within the capability of that agency to do so.

b. All agencies conducting an interview of a witness will give due consideration to the witness' age, sex, circumstance, and character in relation to the time, place, and circumstances. The requesting agency may ask another agency to conduct the interview of a witness in the presence of a representative of the requesting agency. Such request should

be granted insofar as it does not interfere with the conduct of the interrogation.

ARTICLE VI - PROVIDING TECHNICAL ASSISTANCE

1. When an agency is requested by another agency to furnish an expert opinion, fingerprint check, other identification facility help, material of criminal identification, or the use of an identification technician or a dispatch of identification personnel, that agency will provide assistance as much as possible and within its capabilities.

2. When an agency is requested by another agency for the use of an office or other police facilities, that agency will comply with the request as much as possible and within its capabilities.

3. When an agency requests an interpreter needed for conducting an investigation, the agency receiving the request will provide the interpreter insofar as possible.

ARTICLE VII - TRANSFER OF A CASE

When a case is turned over to the GRI Police, Form No. 1 (Annex B) will be used. When a case is turned over to the U.S. Forces police, Form No. 2 (Annex C) will be used.

ARTICLE VIII - RESOLUTION OF INVESTIGATIVE RESPONSIBILITY DISAGREEMENTS

When disagreements arise between the GRI and U.S. military investigators in investigation of a crime, the case will be discussed by the agencies involved at an investigation conference convened under the provisions of Article IX hereof and the jurisdiction status of the crime will be determined in accordance with the provisions of Article III.

ARTICLE IX - PROGRESS REPORTS AND INVESTIGATION CONFERENCES

1. In any case when an investigation is conducted concurrently or jointly by both a U.S. military investigation agency and the GRI Police or when assistance is requested, an investigation conference will be held when it is deemed necessary and information will be exchanged, study will be made on the information, plans will be made regarding the method of conducting the investigation, or changes will be decided upon, and every effort will be taken for an early solution of the case. Representatives from the GRI Police will be at each conference as designated by the Chief of Police. The head of the U.S. military investigation agency involved will appoint the U.S. representatives.

2. Whether or not investigation conferences are held, interim and final reports on investigations into criminal cases of mutual interest will be provided to any agency by any other agency upon request. Also,

upon request, any agency will provide to any other agency information on trial dates and outcomes of trials.

/s/ HUGH H. RIDDLE

Colonel, MPC

Provost Marshal, USARYIS

/s/ TOKUSUKE ARAKAKI

Chief, Government of the Ryukyu Islands

Police Department

/s/ HARRIMAN N. SIMMONS

Director

Public Safety Department, USCAR

This Revised Memorandum supersedes the Memorandum of Understanding for Investigative Procedures, 14 April 1967.

Note: Annexes referred to are not included in this report.

STATEMENT DELIVERED BY HIGH COMMISSIONER JAMES B. LAMPERT
OVER RADIO AND TELEVISION STATIONS ON OKINAWA
20 DECEMBER 1970

I am appearing before you tonight to discuss a matter of grave concern to me as the responsible governing authority in Okinawa and to every resident of these islands.

Last night and early this morning in the city of Koza a riot occurred. The spark which set it off was a traffic accident in which an Okinawan pedestrian was struck and slightly injured by a U.S. Forces-registered vehicle. Almost immediately the car was surrounded by a menacing crowd. American military police arriving at the scene were with difficulty able to extricate the serviceman, following which the two MP cars and the accident vehicle were set afire by the growing mob and destroyed. A portion of the rioters then moved to Gate 2 of Kadena Air Base where, hurling rocks and bottles, they succeeded in forcing temporary entry into the Base, igniting and destroying more vehicles and five classrooms of an American children's school. Only with great difficulty was the intrusion repelled after a struggle of over an hour.

Another large group of rioters moved south from the original accident scene along Moromi Street, hurling missiles and setting fire to and overturning more cars. When the crowd reached the junction of Moromi Street and Jagaru Road, it was confronted by a line of GRI riot police sent to the scene by Acting Chief Executive Chinen and Police Chief Arakaki and supported by a line of American MPs. At one point, use by the MPs of eight tear gas grenades was required, on my express authorization, to prevent the crowd from breaking through these lines and advancing on the Plaza U.S. Military Housing Area. In the early morning the crowd dispersed and order was restored. By that time over 80 cars, the great majority private vehicles of U.S. servicemen, were lying destroyed in the streets, 30 persons had been injured--fortunately none seriously--and 19 rioters had been arrested.

I am told that these deplorable events may be attributed in part to public resentment over the recent acquittal by a U.S. General Court-Martial of a U.S. Navy Petty Officer. One may differ with and criticize this verdict--that is the right of every free Okinawan and American. But there can be no possible excuse for carrying this criticism to the point of rioting in the streets, endangering of peaceful citizens, and destruction of property. This is the law of the jungle. It has no place in Okinawa nor in any civilized society.

I am told that the rioters may also have been influenced by concern and resentment over the chemical weapons stored in Okinawa. If so, the disturbance was totally self-defeating in its effects. The United States is as anxious as Okinawa to remove these weapons as rapidly as possible

consistent with the complete safety of all concerned. Plans for the completely safe removal of an initial increment of 150 short tons have been completed. The only development which would forestall those plans would be a threat of interference with or sabotage of the removal operation. I can state unequivocally that I will not authorize commencement of this operation unless I am satisfied that no significant threat of this kind exists.

I am aware also that this is a time of concern for many Okinawans as the specific conditions and arrangements of reversion are worked out among the United States, Japanese, and Ryukyuan Governments. Every possible effort is being made to make these conditions and arrangements as satisfactory for the Okinawan people as possible. Public disturbances, such as occurred last night, can only obstruct this purpose--they are destructive, pure and simple, and, most of all, for the Okinawan people themselves.

I have spoken to you in complete frankness and candor, in what I hope the Okinawan people have come to recognize as my sincere desire to promote their interests by every means available to me. I expect the understanding and support of every Okinawan to ensure that there is no repetition of the events of last night and that, instead, we continue to work together in our many and fundamental common interests.

REMARKS BY CIVIL ADMINISTRATOR ROBERT A. FEAREY
AT THE DINING-OUT OF THE 824TH COMBAT
SUPPORT GROUP, KADENA AIR BASE
27 FEBRUARY 1971

REVERSION OF U.S. AUTHORITY OVER OKINAWA TO JAPAN

Mr. President, General Johnson, Ladies and Gentlemen:

My topic is reversion. First, I shall briefly review the history of the reversion issue. Then I shall indicate where we now stand in negotiation of the specific arrangements for reversion. Finally, I shall take a brief look at postreversion Okinawa, when our forces will still be here but Okinawa will be under Japanese administration.

Historical Background of Reversion

Looking first at the history of the matter, the reversion problem had its origin in January 1946, 25 years ago. At that time, by order of General MacArthur, Supreme Commander for the Allied Powers in Japan, the Ryukyu Islands, one of the 47 prefectures of Japan, were separated from Japanese control and administration. During the five-year remainder of the occupation they were under the sole administration of the United States, without any of the aspects of Japanese Government and allied control obtaining on the Japanese mainland. The decision to establish such a separate, purely American administration in the Ryukyus derived primarily from American sacrifices in the defeat of the Japanese Forces on Okinawa, from the unilateral Soviet occupation of the Kurile and Habomai Islands to the north, and from the remoteness of the Ryukyus from Tokyo. However, a further factor, even in those early days, was the thought that the United States might need to establish a long-term military presence in the Ryukyus extending beyond conclusion of the peace treaty with Japan. An exclusively U.S. administration might facilitate this.

It is sometimes forgotten that the reversion movement started even before the Peace Treaty of 1952. In March 1951, when the Japanese peace treaty negotiations were just gathering steam under Ambassador Dulles, the Okinawa Gunto assembly adopted a resolution, by a vote of 17 to 3, requesting reversion to Japan. The three opposing votes were cast by the former Republican Party, which sought an independent status for the Ryukyus. Two months later, in May 1951, Chobyō Yara was elected the first chairman of the "Association for the Promotion of Reversion to Japan." A founder of the Okinawa reversion movement almost 20 years ago, Chief Executive Yara has been at the forefront of the movement ever since.

An event of major consequence for reversion occurred on September 5, 1951 at the Japanese Peace Conference in San Francisco. On that day, in presenting the treaty draft to the conference, Ambassador Dulles noted that

some of the allied powers had urged that the treaty require Japan to renounce its sovereignty over the Ryukyus in favor of U.S. sovereignty. Others had proposed that the islands be restored completely to Japan. "In the face of this division of allied opinion," Ambassador Dulles said, "the United States felt that the best formula would be to permit Japan to retain residual sovereignty, while making it possible for these islands to be brought into the United Nations trusteeship system, with the United States as administering authority."

I served as a member of Ambassador Dulles' peace treaty mission, and recall a number of discussions in 1951 at which the U.S. treaty position on the Ryukyus was decided. In those discussions it was noted that the Ryukyuan people are Japanese. The islands were not, in the words of the Cairo Declaration, taken by Japan "by violence and greed." Although the United States had long-term security interests in the Ryukyus, the "peace of reconciliation" which we and most of our allies in the Pacific war sought with Japan would be vitiated by the islands' enforced, permanent detachment from Japan. The "residual sovereignty" formula was, I believe, personally conceived by Ambassador Dulles to reconcile conflicting U.S. political and security requirements. It was the most descriptive term he could devise to convey the thought to Japan and the world that although the United States was obliged to retain control of the Ryukyus temporarily for security reasons, Japanese territory was not being detached and the principle of no U.S. territorial acquisitions as a result of the war was being observed.

In any event it was at San Francisco that the concept of Japanese "residual sovereignty" over the Ryukyus entered our political vocabulary. The idea of placing the Ryukyus under the U.N. strategic trusteeship system was never followed up as a solution to the problem of the future of the islands.

The next noteworthy reversion date is June 1957. At that time, in the first of a series of communiques issued during visits of Japanese Prime Ministers to Washington, President Eisenhower and Prime Minister Kishi reaffirmed that Japan possesses "residual sovereignty" over the Ryukyus.

In June 1961, President Kennedy and Prime Minister Ikeda again reaffirmed the principle of Japan's "residual sovereignty" over the islands. In March 1962, following a study of our Ryukyus policies and programs, President Kennedy publicly stated that he recognized the Ryukyus "to be a part of the Japanese homeland," adding that he "looked forward to the day when the security interests of the free world will permit their restoration to full Japanese sovereignty."

President Johnson and Prime Minister Sato met twice in Washington--in November 1965 and November 1967--and each time moved the Ryukyus closer to reversion. The climax of the process was reached on November 21, 1969. On that day, in their historic Washington Joint Communique, President Nixon and Prime Minister Sato set 1972 as the target date for return of administrative control of Okinawa to Japan.

The Nixon-Sato Okinawa Agreement of November 1969 is the most significant development in U.S.-Japan relations since the coming into effect of the Peace Treaty in early 1952. Prime Minister Sato spoke of it as marking the end of World War II. President Nixon said it opened a new era in relations between our two countries. He termed the reversion decision one of the most important he had taken as President.

We did not in the Nixon-Sato Agreement undertake to withdraw our military presence from Okinawa. That will remain. But we did agree to negotiate the return of civil authority in the islands to Japan. We undertook to place our Okinawa bases under the provisions of the U.S.-Japan Security Treaty of 1960 and its accompanying Agreement on Prior Consultation. That is the agreement which obliges us to consult in advance with--indeed obtain the consent of--the Japanese Government before making major changes in the deployment into Japan of U.S. Armed Forces, before making major changes in the forces' equipment, and before using our bases in Japan for military combat operations other than for defense against attack on Japan.

There were three basic reasons why the United States agreed to negotiate the return of civil authority over Okinawa to Japan, while placing our bases here under the provisions of the U.S.-Japan Security Treaty.

The first was the anomaly which our administration of Okinawa represented in the broad context of our relations with Japan. Twenty-five years after the close of World War II, the United States continued to oversee the civil affairs of a million nationals of its principal Pacific ally. Understandably, this situation had become a source of resentment to a nation which had risen to the position of the third greatest industrial nation in the world, a nation which had proved not only its capacity to govern its affairs with great skill and effectiveness but also its firm attachment to the ways of peace. The time had come when the United States could maintain its civil authority in Okinawa only at the cost of a progressive impairment of its relationship with Japan.

The second consideration influencing us toward the reversion agreement was the basic congruence of Japanese and U.S. security policy for this part of the world, a congruence which made it possible for us to bring our bases in Okinawa under the provisions of the U.S.-Japan Security Treaty and its related arrangements.

This common security view was explicitly set forth in the Nixon-Sato Communique, as the context for the agreement on the reversion of Okinawa. It was stated that "the President and the Prime Minister recognized the vital role played by the United States Forces in Okinawa in the present situation in the Far East." With respect to Korea, "the Prime Minister deeply appreciated the peacekeeping efforts of the United Nations in the area and stated that the security of the Republic of Korea was essential to Japan's own security." With respect to Taiwan, the Prime Minister said that "the maintenance of peace and security in the

Taiwan area was also a most important factor for the security of Japan." As for Vietnam, the President and the Prime Minister agreed that reversion should be accomplished "without affecting the U.S. efforts to assure the South Vietnamese people the opportunity to determine their own political future without outside interference."

And there was a third factor underlying the Nixon-Sato reversion agreement. Pressures for reversion had continued to grow in Okinawa. The desire for a resumption of Japanese civil control was almost universal, extending all across the political spectrum. It was clear that we would face increasing difficulty in maintaining essential Okinawan acquiescence in our presence if we did not accede to this desire.

The Reversion Negotiations

With the reversion target date of 1972 agreed, the U.S. and Japanese Governments, during 1970, commenced negotiation of the many complex issues involved in shifting administrative control of a million Okinawans from the United States to Japan. Acting under the direction of higher U.S. and Japanese Governmental authorities, the U.S.-Japan Consultative Committee in Tokyo is charged with overall responsibility for conduct of the negotiations. Ambassador Meyer represents the United States on this Committee and Foreign Minister Aichi and the Director General of the Prime Minister's Office, Minister Yamanaka, represent Japan. In Okinawa a U.S.-Japanese-Ryukyuan Preparatory Commission is responsible for "consulting and coordinating locally on measures relating to preparation for the transfer of administrative rights..." The High Commissioner, Lieutenant General Lampert, represents the United States on the Commission, Ambassador Takase represents Japan, and Chief Executive Yara represents Okinawa. PrepCom, as it is called for short, has made significant progress in local preparations for a smooth transfer of civil administrative rights and responsibilities to Japan.

Since the reversion of Okinawa to Japan is an international matter, lying between the U.S. and Japanese Governments, Mr. Yara's position in the Commission is that of an adviser. But of the three PrepCom principals--Japanese, U.S., and Ryukyuan--he alone bears the responsibilities of an elected official. And the Ryukyuan electorate is intensely interested in the reversion negotiations. Every Ryukyuan businessman, worker, and professional man is pondering how reversion is going to affect him personally. In these circumstances, the United States and Japan have in practice accorded Mr. Yara full rights of membership. Mr. Yara keeps the Ryukyuan people informed of his stewardship on their behalf in the Commission.

As the administering authority in Okinawa, the United States took the lead in presenting to PrepCom last July a comprehensive plan to facilitate the transfer of administrative responsibility to Japan. The essence of this plan is that the transfer should, to the largest practicable extent, be gradual and progressive, avoiding an abrupt and painful shift

at reversion. The transition should have the outline of a low hill, rather than a sharp cliff, on Reversion Day.

Accordingly, the U.S. plan which was adopted by the PrepCom and went into effect on 1 December of last year, divides the period until reversion into three phases involving progressive relinquishment of civil administrative functions previously performed by USCAR to the Japanese and Ryukyuan Governments. The first phase commenced last December and will terminate with the signing of a U.S.-Japan reversion agreement, possibly this spring. The second is from then until necessary Congressional and Japanese Diet support/ratification is obtained for the reversion agreement, hopefully by the fall of this year. And the third phase is from then until Reversion Day, sometime in 1972.

During the first phase, the United States has already relinquished to the Japanese Government the function of supervising administration of the Japanese aid program in Okinawa. It has also relinquished to Japan the function of advising and assisting the Ryukyuan Government in certain specified matters, such as the development of Ryukyuan industry, the collection and analysis of economic statistics, and administration of the Ryukyuan penal system. These relinquishments supplement the "autonomy policy" we have pursued for a number of years of shifting the functions of day-to-day administration to the Ryukyuan Government as rapidly as it was able to assume them. In addition, we have, during Phase 1, invited the Japanese Government to participate with the United States in advising the Ryukyuan Government in the important area of budgetary and fiscal matters.

Later, as Reversion Day draws closer, the civil transfer plan calls for delegation by the United States directly to the Ryukyuan Government, with Japanese Government approval and assistance, of a number of direct operational functions now performed entirely by the United States. For example, during Phase 2, after signature of the reversion agreement, the United States is prepared to delegate to the GRI the function of maintaining administrative and financial records pertaining to Japanese state and prefectural lands in the Ryukyus, and the function of maintaining the U.S. off-post highway system. During Phase 3, we propose to relinquish to the Ryukyuan Government such functions as administration of controls over permanent immigration of Japanese nationals into the Ryukyus and administration of quarantine and customs controls.

Fundamental to the phased civil transfer plan is the fact that ultimate authority and responsibility for the administration of Okinawa will remain with the United States until reversion in 1972. There can, therefore, be no transfer of legal authority in Okinawa to Japan until Reversion Day. Thus advice and assistance regarding functions normally associated with sovereign control, such as supervision of immigration controls, will be retained by the United States until reversion. However, day-to-day discharge of these functions is already basically carried out by the Ryukyuan Government. With necessary prior planning and preparation, their transfer to Japan at reversion should present no

difficulty. It is hoped, in addition, that the Japanese Government will enact special legislation which, over a transitional period, will ease the application of Japanese law to Okinawa after reversion.

The Changes Ahead

Looking ahead over the next few years, every resident of Okinawa, native and foreign, faces a period of major change and readjustment. Sometime in 1972, if all goes well, the Ryukyuan Government, now carrying on many national as well as local functions under U.S. control, will become a prefectural government like the 46 other Japanese prefectural governments. Supervision over the Okinawan Prefectural Government will come from Tokyo, rather than from HICOM and USCAR. THE islands' monetary and postal systems will be based on yen rather than dollars. Traffic may or may not be shifted to the left side of the road, but Japan and the prefectural government rather than the United States will be responsible for maintenance and control of off-post roads. External assistance and supervision for the further development of Ryukyuan electric power, water, transport, and other public facilities will no longer come from the United States but from Japan. The rights and privileges of American military personnel and their dependents in Okinawa will be governed by the U.S.-Japan Status of Forces Agreement. Japanese Ground, Air, and Maritime Forces will be stationed here responsible for the local defense of Okinawa as of the rest of Japanese territory. The situation of the American Forces and their dependents in Okinawa will be the same as for our personnel in mainland Japan--with one major difference, the extraordinary density of the U.S. presence here. This is expected to remain far greater than in any other Japanese prefecture. We and the Okinawans will continue to be highly important factors in each other's lives for an indefinite period ahead.

It is understandable that this should be a time of uncertainty and concern for the Okinawan people. As I earlier noted, every adult Okinawan is wondering how reversion is going to affect him personally--what the terms and conditions of reversion affecting his or her personal livelihood and status will be, whether the tremendous U.S. financial input into Okinawa and level of Okinawan employment on our bases will be maintained, whether Japan will preserve and expand the rate of economic development here--which under U.S. administration has actually been slightly higher than in mainland Japan.

Radical leftist elements opposed to the U.S. presence here and in Japan seek to intensify these concerns and direct them against the United States. If this effort were to succeed, if anti-American feelings were to develop and spread, we could still lose the Ryukyuan people's necessary acquiescence in our presence. To prevent this from happening, it is essential that we Americans in Okinawa conduct ourselves with understanding of the strains the Okinawan people are experiencing, both from reversion and from U.S. economy-compelled RIFs, and that we observe necessary discipline and restraint.

Conclusion

In conclusion, the stakes in the reversion undertaking are high. Americans stationed in Okinawa are participants in a truly historic undertaking--the peaceful return of a detached area, an area of major importance, to a former enemy. It is highly important to the vital U.S.-Japan relationship, to the future security of the East Asian region, and to the future welfare of the Okinawan people that the transfer be smoothly accomplished. We all bear a share of the responsibility that this be successfully achieved.

AMENDMENT TO THE "MEMORANDUM CONCERNING AID FUNDS
FOR THE RYUKYU ISLANDS FOR JFY 1969"*

The Annex to the Memorandum Concerning Aid Funds for the Ryukyu Islands for JFY 1969 shall be amended as follows:

15-A Original:

Hospitalization	¥ 336,795	¥107,416	¥ 444,211
of TB and Other	(\$ 935,542)	(\$298,378)	(\$1,233,919)
Patients in			
Japan			

Amended:

Hospitalization	336,795	1,920	338,715
of TB and Other	(935,542)	(5,333)	(940,875)
Patients in			
Japan			

24 Original:

National Pension	585,642	262,714	848,356	Old-Age, Mother-Child, and Physically Handicapped Welfare Annuities, and GRI contribution corresponding to Government's share in National Pension contribution system.
	(1,626,783)	(729,761)	(2,356,544)	

Amended:

National Pension	585,642	195,214	780,856	GRI contribution corresponding to Government's share in the Old-Age, Mother-Child, and Physically Handicapped Welfare Annuities.
	(1,626,783)	(542,261)	(2,169,044)	

28 Original:

Separation Measures for U.S. Forces Employees	233,500	12,500	246,000
	(648,611)	(34,722)	(683,333)

Amended:

Separation Measures for U.S. Forces Employees	233,500	209,960	443,460
	(648,611)	(583,222)	(1,231,833)

(*Note: See pages 261-276, Vol. XVII, Civil Administration of the Ryukyu Islands Report, for full text of this Memorandum.)

66 Original:

Special Juvenile	¥	24,464	¥	24,464	¥	48,928
Home Construc-	(\$	67,956)	(\$	67,956)	(\$	135,911)
tion						

Amended:

Special Juvenile		24,464		0		24,464
Home Construc-		(67,956)				(67,956)
tion						

/s/ S. Okabe
Director General
Okinawa-Northern Territories Agency
Prime Minister's Office

/s/ Kiyoshi Tomikawa
Director
General Affairs Department
Government of the Ryukyu Islands

Date: 30 March 1971

Date: 30 March 1971

Approved for the High Commissioner:

/s/ D. C. Buckley, LTC, AGC
Chief of Administration
United States Civil Administration
of the Ryukyu Islands

Date: 30 March 1971

AMENDMENT TO THE "MEMORANDUM CONCERNING ITEMS AND COSTS OF AID PROJECTS
OF THE GOVERNMENT OF JAPAN TO THE RYUKYU ISLANDS FOR JFY 1969"*

I. I of the Annex 2 to the Memorandum Concerning Items and Costs of Aid Projects of the Government of Japan to the Ryukyu Islands shall be amended as follows:

<u>15-A</u>	<u>Original:</u>	Hospitalization of TB and Other Pa- tients in Japan	¥ 336,795 (\$ 935,542)	¥107,416 (\$298,378)	¥ 444,211 (\$1,233,919)
	<u>Amended:</u>	Hospitalization of TB and Other Pa- tients in Japan	336,795 (935,542)	1,920 (5,333)	338,715 (940,875)
<u>24</u>	<u>Original:</u>	National Pension	585,642 (1,626,783)	262,714 (729,761)	848,356 (2,356,544)
	<u>Amended:</u>	National Pension	585,642 (1,626,783)	195,214 (542,261)	780,856 (2,169,044)
<u>28</u>	<u>Original:</u>	Separation Measures for U.S. Forces Employees	233,500 (648,611)	12,500 (34,722)	246,000 (683,333)
	<u>Amended:</u>	Separation Measures for U.S. Forces Employees	233,500 (648,611)	209,960 (583,222)	443,460 (1,231,833)
<u>66</u>	<u>Original:</u>	Special Juvenile Home Construction	24,464 (67,956)	24,464 (67,956)	48,928 (135,911)
	<u>Amended:</u>	Special Juvenile Home Construction	24,464 (67,956)	0	24,464 (67,956)

/s/ S. Okabe
Director General
Okinawa-Northern Territories Agency
Prime Minister's Office
Date: 30 March 1971

/s/ Kiyoshi Tomikawa
Director
General Affairs Department
Government of the Ryukyu Islands
Date: 30 March 1971

Approved for the High Commissioner:

/s/ D. C. Buckley, LTC, AGC
Chief of Administration
United States Civil Administration
of the Ryukyu Islands
Date: 30 March 1971

(*Note: See pages 277-288, Vol. XVII, Civil Administration of the Ryukyu Islands Report, for full text of this Memorandum.)

AMENDMENT TO "MEMORANDUM CONCERNING AID FUNDS
FOR THE RYUKYU ISLANDS FOR JFY 1970"*

The Annex to the Memorandum Concerning Aid Funds for the Ryukyu Islands for JFY 1970 shall be amended as follows:

25-A Original:

Doctors and	¥ 50,481	¥	0	¥	50,481
Dentists from	(\$140,225)	(\$	)	(\$	140,225)
Japan					

Amended:

Doctors and	33,240		0		33,240
Dentists from	(92,333)				(92,333)
Japan					

27-2-A Original:

Hospitalization	280,100	93,366	373,466	Hospitalization of 750
of TB Patients	(778,056)	(259,350)	(1,037,406)	patients; consignment
in Japan				fee for rehabilitation
				facilities for 24 per-
				sons in need of after-
				care.

Amended:

Hospitalization	122,373	93,366	215,739	Hospitalization of 500
of TB Patients	(339,925)	(259,350)	(599,275)	patients; consignment
in Japan				fee for rehabilitation
				facilities for 24 per-
				sons in need of after-
				care.

27-3-A Original:

Hospitalization	112,352	37,450	149,802	Medical treatment for
of TB Patients	(312,089)	(104,028)	(416,117)	377 inpatients.
in Okinawa				

Amended:

Hospitalization	234,836	37,450	272,286	Medical treatment for
of TB Patients	(652,322)	(104,028)	(756,350)	788 inpatients.
in Okinawa				

(*Note: See pages 323-340, Vol. XVIII, Civil Administration of the Ryukyu Islands Report, for full text of this Memorandum.)

50 Original:

Separation	¥192,750	¥ 64,250	¥ 257,000
Measures for	(\$535,417)	(\$178,472)	(\$ 713,889)
U.S. Forces			
Employees			

Amended:

Separation	283,269	64,250	347,519
Measures for	(786,858)	(178,472)	(965,331)
U.S. Forces			
Employees			

72 Original:

Disaster Reha-	249,283	0	249,283
bilitation	(692,453)		(692,453)

Amended:

Disaster Reha-	237,418	0	237,418
bilitation	(659,494)		(659,494)

86 Original:

Preparation for	100,000	0	100,000
Parliamentary	(277,778)		(277,778)
Representation			

Amended:

Preparation for	73,830	0	73,830
Parliamentary	(205,083)		(205,083)
Representation			

/s/ S. Okabe
Director General
Okinawa-Northern Territories Agency
Prime Minister's Office

/s/ Kiyoshi Tomikawa
Director
General Affairs Department
Government of the Ryukyu Islands

Date: 30 March 1971

Date 30 March 1971

Approved for the High Commissioner:

/s/ D. C. Buckley, LTC, AGC
Chief of Administration
United States Civil Administration
of the Ryukyu Islands

Date: 30 March 1971

AMENDMENT TO THE "MEMORANDUM CONCERNING ITEMS AND COSTS OF AID PROJECTS
OF THE GOVERNMENT OF JAPAN TO THE RYUKYU ISLANDS FOR JFY 1970"*

I. The Annex 1 to the Memorandum Concerning Items and Costs of Aid Projects of the Government of Japan to the Ryukyu Islands for JFY 1970 shall be amended as follows:

<u>15-A</u>	<u>Original:</u>	Hospitalization of TB and Other Patients in Japan	¥107,416 (\$298,378)	¥ (\$	¥) (\$	)
	<u>Amended:</u>	Hospitalization of TB and Other Patients in Japan	1,920 (5,333)			
<u>24</u>	<u>Original:</u>	National Pension	262,714 (729,761)			
	<u>Amended:</u>	National Pension	195,214 (542,261)			
<u>28</u>	<u>Original:</u>	Separation Measures for U.S. Forces Employees	12,500 (34,722)			
	<u>Amended:</u>	Separation Measures for U.S. Forces Employees	209,960 (583,222)			
<u>66</u>	<u>Original:</u>	Special Juvenile Home Construction	24,464 (67,956)			
	<u>Amended:</u>	Special Juvenile Home Construction	0		This item shall be deleted.	

II. I of the Annex 2 shall be amended as follows:

<u>25-A</u>	<u>Original:</u>	Doctors and Dentists from Japan	50,481 (140,225)	0	50,481 (140,225)
	<u>Amended:</u>	Doctors and Dentists from Japan	33,240 (92,333)	0	33,240 (92,333)

(*Note: See pages 341-354, Vol. XVIII, Civil Administration of the Ryukyu Islands Report, for full text of this Memorandum.)

<u>27-2</u>	<u>Original:</u>	Hospitalization of	¥280,100	¥ 93,366	¥ 373,466
<u>-A</u>		TB Patients in Japan	(\$778,056)	(\$259,350)	(\$1,037,406)
	<u>Amended:</u>	Hospitalization of	122,373	93,366	215,739
		TB Patients in Japan	(339,925)	(259,350)	(599,275)
<u>27-3</u>	<u>Original:</u>	Hospitalization of	112,352	37,450	149,802
<u>-A</u>		TB Patients in	(312,089)	(104,028)	(416,117)
		Okinawa			
	<u>Amended:</u>	Hospitalization of	234,836	37,450	272,286
		TB Patients in	(652,322)	(104,028)	(756,350)
		Okinawa			
<u>50</u>	<u>Original:</u>	Separation Measures	192,750	64,250	257,000
		for U.S. Forces	(535,417)	(178,472)	(713,889)
		Employees			
	<u>Amended:</u>	Separation Measures	283,269	64,250	347,519
		for U.S. Forces	(786,858)	(178,472)	(965,331)
		Employees			
<u>72</u>	<u>Original:</u>	Disaster Rehabilita-	249,283	0	249,283
		tion	(692,453)		(692,453)
	<u>Amended:</u>	Disaster Rehabilita-	237,418	0	237,418
		tion	(659,494)		(659,494)
<u>86</u>	<u>Original:</u>	Preparation for Parlia-	100,000	0	100,000
		mentary Representation	(277,778)		(277,778)
	<u>Amended:</u>	Preparation for Parlia-	73,830	0	73,830
		mentary Representation	(205,083)		(205,083)

/s/ S. Okabe
 Director General
 Okinawa-Northern Territories Agency
 Prime Minister's Office

/s/ Kiyoshi Tomikawa
 Director
 General Affairs Department
 Government of the Ryukyu Islands

Date: 30 March 1971

Date: 30 March 1971

Approved for the High Commissioner:

/s/ D. C. Buckley, LTC
 Chief of Administration
 United States Civil Administration
 of the Ryukyu Islands

Date: 30 March 1971

MEMORANDUM CONCERNING AID FUNDS RELATED TO THE SUM ALLOCATED TO THE
JFY 1971 AID PROGRAM WHICH IS DESCRIBED IN THE ANNEX ATTACHED TO THE
MEMORANDUM CONCERNING AID FUNDS FOR THE RYUKYU ISLANDS FOR JFY 1970

1. (Purpose) For the purpose of providing assistance to promote the welfare and well-being of the inhabitants of the Ryukyu Islands and their economic development, the Okinawa-Northern Territories Agency of the Government of Japan (hereinafter referred to as ONTA) will provide the Government of the Ryukyu Islands (hereinafter referred to as the Ryukyu Government) through the United States Civil Administration of the Ryukyu Islands (hereinafter referred to as the United States Civil Administration) with grant-in-aid funds to the extent of an amount totaling ¥7,456,613,000 (\$20,712,814) allocated to JFY 1971 which are described in the Annex attached to the Memorandum Concerning Aid Funds for the Ryukyu Islands for JFY 1970 (hereinafter referred to as the Memorandum for JFY 1970) as a part of aid funds for the Japanese Government Fiscal Year of 1971 (1 April 1971 through 31 March 1972) according to the breakdown specified in the said Annex, during the period of 1 April 1971 through 30 June 1971 in principle.
2. (Project Plans) Of the project plans prepared in accordance with the Memorandum for JFY 1970 (including the project plans changed in accordance with Paragraph 9 of the Memorandum), ONTA is able to agree on funds for those JFY 1971 projects which are described in the Annex attached to the said Memorandum.
3. (Procedure and Conditions of Granting Aid Funds) The provisions of Paragraphs 2,3,7,9 through 16 of the Memorandum for JFY 1970 and Paragraph 1 of the Supplement will be applied to the procedure and conditions to grant and utilize the said funds.
4. (Validity of Memorandum) This Memorandum will enter into force from the day on which the Ryukyu Government will have obtained the approval of the United States Civil Administration thereon.

/s/ Shuichi Okabe
Director General
Okinawa-Northern Territories Agency
Government of Japan
Date: 10 May 1971

/s/ Kiyoshi Tomikawa
Director
General Affairs Department
Government of the Ryukyu Islands
Date: 25 May 1971

Approved for the High Commissioner:

/s/ D. C. Buckley, LTC, AGC
Chief of Administration
United States Civil Administration
of the Ryukyu Islands
Date: 25 May 1971

MEMORANDUM CONCERNING AID FUNDS
FOR THE RYUKYU ISLANDS FOR JFY 1971

1. (Purpose)

For the purpose of providing assistance to promote the welfare and well-being of the inhabitants of the Ryukyu Islands and their economic development, the Okinawa-Northern Territories Agency of the Government of Japan (hereinafter referred to as ONTA) will provide the Government of the Ryukyu Islands (hereinafter referred to as the Ryukyu Government), through the United States Civil Administration of the Ryukyu Islands (hereinafter referred to as the United States Civil Administration) with the economic aid to the extent of an amount totaling ¥29,952,852,000 (\$83,202,367) for the Japanese Fiscal Year of 1971 (1 April 1971 through 31 March 1972) except for the economic aid (hereinafter referred to as aid funds) of an amount totaling ¥7,456,613,000 (\$20,712,814) which will be provided with according to the Memorandum Concerning Aid Funds related to the sum allocated to the JFY 1971 aid program which is described in the Annex attached to the Memorandum Concerning Aid Funds for JFY 1970 signed on 19 June 1970 according to the breakdown specified in the Annex attached and made a part hereof.

The amount within the limit of the sum allocated to the JFY 1972 Aid Program (from 1 April 1972 to 31 March 1973) described in the Annex will be provided from ONTA to the Ryukyu Government from 1 April to 30 June 1972, in principle, subject to the approval by the Diet of the GOJ estimated budget for JFY 1972.

2. (Definition of Terms)

In this memorandum, the terms listed below will be interpreted as specified in the following:

- a. Project - Item of aid funds as described in the Annex.
- b. Subproject - Detailed subitem of each project which is to be in principle a unit for each contract made by the Ryukyu Government.
- c. Gaisan-barai - Payment in part or in full of the aid funds for each project before completion of the project concerned.

3. (Type of Currencies)

The aid funds will be provided in Japanese currency, and ONTA will take measures so that the funds will be credited in the nonresident free yen account of the Ryukyu Government.

4. (Execution Plan)

The Ryukyu Government will prepare the execution plan before seeking the prior concurrence of ONTA in the project plan, and will submit it to ONTA.

The execution plan will contain, for each project and subproject, such details as total project cost as against the total amount indicated in the Annex, division of fiscal year, source of funds, plan for request of funds, scheduled date of initiation and completion, and other matters necessary for the prior concurrence in the project plan and preparation for disbursement of aid funds by ONTA.

5. (Project Plan)

When the Ryukyu Government wishes to execute any project described in the execution plan, it will prepare project plans with subproject details as against the total amount indicated in the Annex and will seek the prior concurrence of ONTA therein.

The project plan will contain such details as location, purpose, and description, estimated cost, scheduled dates of initiation and completion, and other necessary matters.

6. The prior concurrence of ONTA on project plans submitted in accordance with the above-mentioned provision will apply only to projects in the JFY 1971 program indicated in the Annex.

When the project plan has been concurred in by ONTA, the Ryukyu Government will proceed to execute it.

7. (Transfer of Aid Funds)

The aid funds will be turned over to the Ryukyu Government after a report on satisfactory completion of the concurred project is sent to ONTA in compliance with paragraph 13, below. However, Gaisan-barai may be made in advance.

8. (Carryover of Aid Funds)

The aid funds for the JFY 1971 program in the Annex will, in principle, be expended by the Ryukyu Government during the Japanese Fiscal Year of 1971. However, with regard to the aid funds which have not been expended during the Japanese Fiscal Year of 1971, necessary action will be initiated under related laws and regulations in Japan, so that these funds may be expended during the Japanese Fiscal Year of 1972.

9. (Condition of Granting Aid Funds)

The aid funds will be used in accordance with the project plan concurred in by ONTA, as provided for in paragraph 6, above.

Should a change become necessary in the project plan concurred in by ONTA under paragraph 6, the Ryukyu Government shall seek advance concurrence therein of the United States Civil Administration and ONTA. However, in case that the change is of minor nature, no advance concurrence will be necessary.

10. (Report on Progress)

The Ryukyu Government will prepare and submit to ONTA a quarterly report on the progress of the aid program funded by ONTA.

11. (Misuse of Aid Funds)

In the event that the aid funds are not used in accordance with the purposes intended or are used in violation of the terms and conditions of the present Memorandum, ONTA may advise the Ryukyu Government through the United States Civil Administration to rectify any misuse of the funds or demand the repayment by the Ryukyu Government of a part or the whole of the aid funds.

12. The Ryukyu Government will take appropriate measures in the event that it is advised to rectify any misuse of the funds or is requested to repay a part or the whole of the aid funds, in accordance with the above-mentioned provision.

13. (Report on Completion)

When each project for which a project plan has been concurred in under the provision of paragraph 6 is fully completed, the Ryukyu Government will submit to ONTA a report on completion of the project. The Audit Report on the project, by the Board of Audit of the Ryukyu Government, will be submitted in the same manner as early thereafter as practicable.

14. (Audit)

ONTA may dispatch officials to verify completion of projects financed under the terms of this Memorandum and proper expenditure of aid funds.

The officials will be dispatched under such conditions as may be agreed upon by ONTA, the United States Civil Administration, and the Ryukyu Government, after submission to ONTA of report on completion of some or all of the project plans.

15. (Utilization of Equipment for Purposes Intended)

The equipment and facilities procured with the aid funds will be utilized to fulfill the purposes foreseen in the project which has been submitted by the Ryukyu Government.

16. (Amendment to Memorandum)

Should an amendment to the provisions of the present Memorandum become necessary, it will be decided on by agreement among ONTA, the United States Civil Administration, and the Ryukyu Government.

In case ONTA concurs in any of the project plans submitted in accordance with paragraph 6, above, in such a manner as to cause alteration in the item, amount, or description in the Annex, the Annex will be regarded as modified by such concurrence accordingly.

The same principle will apply in case a change is made to any of the project plans in accordance with paragraph 9, above.

17. (Validity of Memorandum)

This Memorandum will enter into force from the day on which the Ryukyu Government has obtained the approval of the United States Civil Administration thereon.

Supplement

1. (Details of Implementation of Memorandum)

Details which may be deemed necessary for the implementation of this Memorandum will be determined by agreement of ONTA, and the Ryukyu Government.

/s/ S. Okabe
Director General
Okinawa-Northern Territories Agency
Government of Japan

/s/ K. Tomikawa
Director
General Affairs Department
Government of
the Ryukyu Islands

Date: 21 July 1971

Date: 28 July 1971

Approved for the
High Commissioner:

/s/ D. C. Buckley, LTC, AGC
Chief of Administration
United States Civil Administration
of the Ryukyu Islands

Date: 29 July 1971

Talking Paper
Concerning Aid Fund for Scholarship
(Item No. 102)

It is desirable that scholarship funds be made available for loans to students in universities and senior high schools in the Ryukyus whose scholastic records are excellent but who have, for economic reasons, experienced difficulty in pursuing their studies, and that the scholarship funds be administered by the Ryukyu Scholarship Association through the Government of the Ryukyu Islands and earmarked in the following categories:

1. For university students (all grades).....¥57,792,000
(\$ 160,533)
2. For senior high school students (all grades).....¥27,000,000
(\$ 75,000)

It is further desirable that, in principle, the amount of monthly loan be 3,000 yen (\$8.33) for senior high school students, 6,000 yen (\$16.67) (5,000 yen for present recipients) for university students commuting to school from home, and 10,000 yen (\$27.78) (8,000 yen for present recipients) for university students commuting to school from places other than their homes; and the repayment of these scholarship loans be in the amount of 1,500 yen (\$4.17) per month for students in senior high school and 3,000 yen (\$8.33) per month for university students for a period equivalent to the time during which the loan was obtained, and if the loan is repaid under an annual instalment plan within 20 years after the completion of their studies, the remainder of the loan shall be waived.

Talking Paper
Concerning Paragraph 9

Minor changes, which are provided in paragraph 9 (Condition of Granting Aid Funds) that no advance concurrence therein of the United States Civil Administration will be necessary, shall be those changes which do not come under the following:

A. Utilization of funds generated as a result of contract savings in a project except where such funds are applied to approved subprojects within the project.

B. Utilization of funds generated through reduction in scope of the project except where such funds are applied to approved subprojects within the project.

C. Changes in the location of a subproject or a project, and addition or deletion of a subproject or a project. When it is unclear whether or

not the change of a project may be treated as a minor change, it shall be discussed by the concerned parties of OBONTA and the United States Civil Administration.

Talking Paper
Concerning Paragraph 15

Paragraph 15 (Utilization of Equipment for Purposes Intended) is understood to mean that, with respect to the equipment and facilities procured with the aid funds, the Ryukyu Government will refrain from any acts, such as transfer or lease to others, exchange, or mortgage unless there exist good reasons therefor.

Talking Paper
Concerning Purchase of Articles

In purchasing articles required for the projects undertaken with the Japanese aid funds, where the price and quality of Ryukyuan and Japanese goods are competitive with those of other countries, priority will be given to the Japanese and Ryukyuan goods.

JAPANESE GOVERNMENT AID FUNDS TO THE RYUKYU ISLANDS

ANNEX

<u>Item No.</u>	<u>Item</u>	<u>Amount (Unit: ¥1,000)</u>			<u>Description</u>
		<u>JFY 1971</u>	<u>JFY 1972</u>	<u>Total</u>	
(1)	Administrative Expenses	¥ 2,753,000 (\$ 7,647,222)	¥ 2,751,000 (\$ 7,641,667)	¥ 5,504,000 (\$15,288,889)	For administrative expenses.
(2)	Agricultural Land Development	185,378 (514,939)	82,607 (229,464)	267,985 (744,403)	Agricultural land development and pasture land improvement: Shoshi, Nakijin-son (government operation), and central part of Nakazato-son (cooperative operation).
(3)	Agricultural Facilities	73,500 (204,167)	31,500 (87,500)	105,000 (291,667)	Construction of farm roads: 35,000 meters.
(4)	Forestry Development	56,070 (155,750)	24,030 (66,750)	80,100 (222,500)	Change of kinds of trees; prevention of forest denudation; forestation against disasters.
(5)	Road Improvement	121,951 (338,753)	52,265 (145,180)	174,216 (483,933)	Improvement of roads from Kochinda (Kochinda-son) to Yonabaru-cho (Route No. 13), and from Aguni village office (Agunijima) to Aguni Port.
(6)	Piers, Harbors, and Fishing Port Facilities	912,350 (2,534,306)	391,008 (1,086,133)	1,303,358 (3,620,439)	Construction of New Naha Port (the 4th-year expense); improvement of Futenma and 9 other ports.

Item No.	Item	Amount (Unit: ¥1,000)			Total	Description
		JFY 1971	JFY 1972	¥		
(7)	Mountain Conservation Works and Flood Control	¥ 42,865 (\$ 119,069)	¥ 18,371 (\$ 51,031)	¥ 61,236 (\$ 170,100)		Construction of 4 sand weirs; repair of river-retaining walls at the Oi-gawa (Nakijin-son) and the Asato-gawa (Naha-shi).
(8)	Retaining Walls Improvement	36,464 (101,289)	15,628 (43,411)	52,092 (144,700)		Improvement of retaining walls at Awa (Nago-shi) and 2 other locations.
(9)	Urban Planning	119,522 (332,006)	51,223 (142,286)	170,745 (474,292)		Improvement of a road and a park; construction of a bridge.
(12)	Livestock Improvement	82,321 (228,669)	35,281 (98,003)	117,602 (326,672)		Purchase of milch cows and pigs; improvement of a beef cattle breeding center and pasture lands.
(13)	Improvement of Agricultural Structure	12,398 (34,439)	5,314 (14,761)	17,712 (49,200)		Operation expense for one of the regions where improvement of agricultural structure has been conducted.
(14)	Farm Produce Distribution Measures	4,716 (13,100)	0	4,716 (13,100)		Construction of a market.
(15)	Plant Quarantine Measures	6,445 (17,903)	0	6,445 (17,903)		Purchase of extermination equipment; expenses for fruit fly rearing and disinfecting experiment.
(16)	Promotion of Coastal Fishery	25,103 (69,731)	10,758 (29,883)	35,861 (99,614)		Construction of marine product distribution and fishing facilities; establishment of prawn rearing and fishing grounds.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(17)	Rationalization of Sugar Industry	¥ 26,712 (\$ 74,200)	¥ 11,448 (\$ 31,800)	¥ 38,160 (\$ 106,000)	Purchase of soil improvement equipment.
(18)	Guidance for Small and Medium Enterprises	14,670 (40,750)	4,890 (13,583)	19,560 (54,333)	Expenses for guidance to mod- ernize small and medium enter- prises and for productivity raising activities.
(19)	Modernization of Small and Medium Industries	100,000 (277,778)	0	100,000 (277,778)	Expenses for modernizing equip- ment of small and medium enter- prises.
(20)	Small and Medium Enter- prises Enhancement Fund	123,274 (342,428)	0	123,274 (342,428)	Expenses for enhancing struc- ture of small and medium enterprises.
(21)	Guarantee for Small and Medium Enterprises	30,000 (83,333)	0	30,000 (83,333)	Funds for the Okinawa Guarantee Association (the 2d-year expense).
(22)	Leasing of Facilities to Small and Medium Enterprises	30,000 (83,333)	0	30,000 (83,333)	Expenses for establishing a pub- lic service corporation to en- gage in purchasing modernization facilities and equipment and lending or selling them to small enterprises on long-term instal- ment plan.
(23)	Construction of Small and Medium Industry Center	23,100 (64,167)	9,900 (27,500)	33,000 (91,667)	Construction of the Center (the 3d-year expense under 3-year program.

Item No.	Item	Amount (Unit: ¥1,000)			Total	Description
		JFY 1971	JFY 1972	¥1,000		
(24)	Experimental Projects for Agricultural Development	¥ 74,260 (\$ 206,278)	¥ 31,826 (\$ 88,406)	¥ 106,086 (\$ 294,683)		Expenses for initiation of experimental projects to improve agricultural facilities for modernization of Miyakojima.
(25)	Improvement of Fisheries Research Station	15,050 (41,805)	6,450 (17,917)	21,500 (59,722)		Improvement of Kabira Fisheries Research Station for an experimental project of raising prawn.
(26)	Bagasse Feed Development	2,250 (6,250)	0	2,250 (6,250)		Purchase of feed-making machine to make feed from bagasse.
(27)	Tick Extermination	63,922 (177,561)	0	63,922 (177,561)		Extermination of tick which is the biggest obstacle to promotion of stock breeding at Ishigakijima.
(28)	Improvement of Basic Registers of Farm Household	5,938 (16,494)	0	5,938 (16,494)		Expenses for improving basic registers of farm household.
(29)	Agricultural and Fisheries Cooperative Personnel's Training Facility	16,100 (44,722)	6,900 (19,167)	23,000 (63,889)		Construction of training facility.
(30)	Agricultural Census	55,623 (154,508)	0	55,623 (154,508)		Expenses for agricultural census to be conducted on October 1, 1971.
(31)	Land Survey for Reclamation of Industrial Combine Site	5,035 (13,986)	0	5,035 (13,986)		Survey and planning for developing industrial combine site through reclamation of land from sea.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(32)	Industrial Statistics Survey	¥ 2,864 (\$ 7,956)	¥ 0 (\$)	¥ 2,864 (\$ 7,956)	Industrial statistics survey which is similar to that conducted in Japan proper.
(34)	Airport Facilities	400,000 (1,111,111)	390,000 (1,083,333)	790,000 (2,194,444)	Improvement and expansion of Naha Civil Airport facilities.
(35)	Special Assistance for Sugar Industry Development	500,000 (1,388,889)	0	500,000 (1,388,889)	The difference between purchase price of the Sugar Price Stabilization Association and the actual cost.
(36)	Industrial Development Fund	100,000 (277,778)	100,000 (277,778)	200,000 (555,556)	Funds for the Housing Construction Fund Loan Special Account.
(37) -A	Doctors and Dentists from Japan	50,481 (140,225)	0	50,481 (140,225)	Dispatch by GOJ of medical specialists and dentists; dispatch by GRI of doctors to doctorless area.
(38)	Mental Hygiene Program	397,849 (1,105,136)	132,616 (368,378)	530,465 (1,473,514)	Expenses for medical treatment of inpatients and outpatients.
(39) -1-A	Tuberculosis Examination Program	9,959 (27,664)	0	9,959 (27,664)	Expenses for health examination.
(39) -2-A	Hospitalization of TB Patients in Japan	236,452 (656,811)	78,817 (218,936)	315,269 (875,747)	Hospitalization of patients in Japan; consignment fee for rehabilitation facilities for persons in need of aftercare.
(39) -3-A	Hospitalization of TB Patients in Okinawa	170,968 (474,911)	56,989 (158,303)	227,957 (633,214)	Medical treatment for inpatients in Okinawa

Item No.	Item	Amount (Unit: ¥1,000)		Total	Description
		JFY 1971	JFY 1972		
(40)	Welfare Measures for the Physically Handicapped	¥ 27,358 (\$ 75,994)	¥ 9,119 (\$ 25,331)	¥ 36,477 (\$ 101,325)	Admittance cost of vocational guidance office; rehabilitation treatment and prosthetic equipment expenses.
(41)	Daily Life Security Program	1,439,977 (3,999,936)	479,992 (1,333,311)	1,919,969 (5,333,247)	Assistance for livelihood, housing, and 7 other categories.
(42)-1	Child Protection Measures	310,679 (862,997)	103,559 (287,664)	414,238 (1,150,661)	Funds to cover expenses to protect needy children at protective institutions.
(42)-2	Medical Treatment of Children with Heart Disease	6,372 (17,700)	0	6,372 (17,700)	Hospitalization in Japan proper of children with heart disease.
(42)-3	Child Support Allowance	85,675 (237,986)	28,558 (79,328)	114,233 (317,314)	Child support allowance, etc.
(42)-4	Special Nursing Program	3,722 (10,339)	1,241 (3,447)	4,963 (13,786)	Establishment of nurseries in remote area and seasonal nurseries.
(43)	Welfare Measures for the Aged	101,165 (281,014)	33,721 (93,669)	134,886 (374,683)	Health examination for old people over 65 years of age.
(44)	Trash Disposal Facility	94,337 (262,047)	40,430 (112,306)	134,767 (374,353)	Construction of a trash disposal facility and a sewage treatment plant.
(45)-1	Relief Facility Improvement	12,855 (35,708)	5,510 (15,306)	18,365 (51,014)	Construction of protective facility according to the Daily Life Security Act.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(45) -2	Children's Nursery Construction	¥ 75,537 (\$ 209,825)	¥ 32,373 (\$ 89,925)	¥ 107,910 (\$ 299,750)	Construction of 15 nurseries.
(45) -3	Infant Home Construc- tion	2,633 (7,314)	1,128 (3,133)	3,761 (10,447)	Construction of an infant home according to the Child Welfare Act.
(45) -4	Mother-Child Dormitory Construction	11,163 (31,008)	4,784 (13,289)	15,947 (44,297)	Construction of a mother-child dormitory according to the Child Welfare Act.
(45) -5	Construction of Compre- hensive Vocational Train- ing Facilities for the Physically Handicapped	19,738 (54,828)	8,459 (23,497)	28,197 (78,325)	Construction of a vocational training facility for the physically handicapped.
(45) -6	Construction of Welfare Facility for the Blind	9,230 (25,639)	3,956 (10,989)	13,186 (36,628)	Construction of a facility to provide the blind with rehabil- itation guidance.
(46)	Expansion of Seiwa Hos- pital	11,539 (32,053)	0	11,539 (32,053)	Expansion of hospital building, etc.
(47)	Activity of the Social Welfare Council	2,915 (8,097)	971 (2,697)	3,886 (10,794)	Personnel expense for social welfare guidance officials.
(48)	Mother-Child Welfare Fund	10,000 (27,778)	0	10,000 (27,778)	Funds for the Mother-Child Welfare Fund Special Account.
(49)	Widow Welfare Fund	5,000 (13,889)	0	5,000 (13,889)	Establishment of the Widow Welfare Fund.

Item No.	Item	Amount (Unit; ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(50)	Household Rehabilitation Fund	¥ 30,603 (\$ 85,008)	¥ 0 (\$)	¥ 30,603 (\$ 85,008)	Loan funds for rehabilitation of households of low-income brackets (subsidy to the Social Welfare Council).
(51)	Employment Promotion for the Physically Handicapped	4,384 (12,178)	1,461 (4,058)	5,845 (16,236)	Training allowance and expense to provide the physically handicapped with appropriate vocational training.
(52)	Improvement of Vocational Training Facilities	7,890 (21,917)	0	7,890 (21,917)	Expansion of vocational training facilities and courses.
(53)	Municipal Housing Construction	242,648 (674,022)	103,992 (288,867)	346,640 (962,889)	Construction of 195 (class I) and 190 (class II) dwelling units.
(54)	Nursing Governess for Children of Mothers in Maternity Condition	317 (880)	0	317 (880)	Establishment of nursing governess system for children of mothers in maternity condition.
(55)	Nursery Governess Training Fund Loan	180 (500)	0	180 (500)	Scholarship loan to students of nursery governess training schools.
(56)	Welfare Office Improvement	1,026 (2,850)	0	1,026 (2,850)	Improvement of welfare office equipment.
(57)	District Welfare Officers' Operation Expenses	891 (2,475)	0	891 (2,475)	Subsidy to district welfare officers' mutual assistance program.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(58)	Protection of Women	¥ 43,263 (\$ 120,175)	¥ 13,387 (\$ 37,186)	¥ 56,650 (\$ 157,361)	Expenses for construction and operation of welfare facilities to protect women to be affected by the Prostitution Prohibition Law; establishment of women consultant system.
(59)	Disease Prevention	15,000 (41,667)	5,000 (13,889)	20,000 (55,556)	Prevention of epidemic and venereal diseases; preventive inoculation.
(60)	Mother-Child Health Promotion	9,560 (26,555)	2,337 (6,492)	11,897 (33,047)	Health examination for expectant and nursing mothers and infants; construction of a women center, etc.
(61)	Nursing School Facilities Improvement	37,218 (103,383)	15,951 (44,308)	53,169 (147,691)	Expansion of Koza Nursing School building and dormitory; purchase of equipment.
(62)	Training in Clinical Study	69,631 (193,419)	23,210 (64,472)	92,841 (257,892)	Personnel expense for post-graduate medical study at the Chubu Hospital.
(63)	Governmental Hospital Facilities Improvement	16,398 (45,550)	7,027 (19,519)	23,425 (65,069)	Construction of outpatients' ward of the Yaeyama Hospital.
(64)	Governmental Clinic Facilities Improvement	1,792 (4,978)	0	1,792 (4,978)	Construction of the Oku Clinic.
(65)	Habu Countermeasures	2,979 (8,275)	0	2,979 (8,275)	Expenses for purchase of Habu and for research.

Item No.	Item	Amount (Unit: ¥1,000)		Total	Description
		JFY 1971	JFY 1972		
(66)	Vocational Training	¥ 8,157 (\$ 22,658)	¥ 2,719 (\$ 7,553)	¥ 10,876 (\$ 30,211)	Operation expenses for the public vocational training centers at Naha and Koza.
(67)	Unemployment Counter-measures	148,397 (412,214)	49,466 (137,406)	197,863 (549,619)	Subsidy for the unemployment countermeasures program.
(68)	Industrial Development Youth Corps Training	21,994 (61,094)	0	21,994 (61,094)	Purchase of training equipment for the Industrial Development Youth Corps.
(69)	Establishment of Public Vocational Guidance Center for Part-Time Workers	13,906 (38,628)	874 (2,428)	14,780 (41,056)	Establishment and operation expenses for the public vocational guidance center for part-time workers.
(70)	Construction of Youth Workers' Home	7,875 (21,875)	3,375 (9,375)	11,250 (31,250)	Expenses for construction of Youth Workers' Home.
(71)	Employment Promotion for Old and Middle-Aged Jobless People	23,045 (64,014)	7,681 (21,336)	30,726 (85,350)	Expenses for employment promotion (training expense, training allowance, removal expense, etc.).
(72)	Daily Laborers Employment Promotion	2,432 (6,755)	810 (2,250)	3,242 (9,005)	Employment allowance for daily laborers; employment promotion allowance for employers.
(73)	Water System Projects	98,128 (272,578)	42,055 (116,819)	140,183 (389,397)	Construction of water system facilities.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(74)	Rural Electrification	¥ 25,830 (\$ 71,750)	¥ 11,070 (\$ 30,750)	¥ 36,900 (\$ 102,500)	Purchase of generators for complete electrification of remote areas.
(75)	Vocational Training in Military Bases	21,285 (59,125)	7,095 (19,708)	28,380 (78,833)	Vocational training in military bases.
(76)	Construction of Social Welfare Center	10,500 (29,167)	4,500 (12,500)	15,000 (41,667)	Expansion of the Social Welfare Center.
(77) -A	Measures for Atomic Bomb Patients	5,771 (16,031)	1,924 (5,344)	7,695 (21,375)	Health examination, medical treatment, and allowances, etc.
(78) -A	Hansen's Disease Counter-measures	22,643 (62,897)	7,548 (20,967)	30,191 (83,864)	Hospitalization of patients in Japan proper and purchase of drug, etc.
(79)	National Health Insurance	673,937 (1,872,047)	224,646 (624,017)	898,583 (2,496,064)	Funds to cover government's share of the National Health Insurance Program.
(80)	National Pension	1,034,138 (2,872,606)	344,713 (957,536)	1,378,851 (3,830,142)	Funds to cover government's share of the contribution and noncontribution systems of the National Pension Program.
(81)	Welfare Pension Insurance	12,115 (33,653)	4,038 (11,216)	16,153 (44,869)	Funds to cover government's share of the Welfare Pension Insurance Program.
(82)	Unemployment Insurance	146,395 (406,653)	48,798 (135,550)	195,193 (542,203)	Funds to cover government's share of the Unemployment Insurance Program.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(83)	Measures for Persons Separated from U.S. Forces Employment	¥ 431,087 (\$1,197,464)	¥ 143,696 (\$ 399,156)	¥ 574,783 (\$ 1,596,619)	Employment promotion allowance, etc.
(84)	Teachers' Salary	4,677,185 (12,992,180)	1,348,375 (3,745,486)	6,025,560 (16,737,666)	Salary for teachers of public schools for compulsory education.
(85)	Free Textbook Program	63,788 (177,189)	197,300 (548,056)	261,088 (725,245)	Free distribution of textbooks for compulsory education.
(86)	Public School Facilities Improvement	1,667,070 (4,630,750)	714,458 (1,984,606)	2,381,528 (6,615,356)	Construction of school buildings of public elementary, junior high, governmental senior high, and special schools; construction of teachers' residence in remote areas.
(87)	Purchase of School Equipment	433,283 (1,203,564)	0	433,283 (1,203,564)	Improvement of general education and science equipment, etc., for public elementary and junior high schools and governmental senior high schools.
(88)	Encouragement of Special School Attendance	10,981 (30,503)	3,660 (10,166)	14,641 (40,669)	Textbook and school lunch expenses for children and students of special schools and special classes of ordinary schools.
(89)	Encouragement of School Attendance for Children of Poor Families	58,880 (163,556)	19,627 (54,519)	78,507 (218,075)	Purchase of school supplies for children of poor families.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(90)	Promotion of Education in Remote Area	¥ 6,049 (\$ 16,803)	¥ 2,017 (\$ 5,603)	¥ 8,066 (\$ 22,406)	Purchase of a school bus, etc., for public elementary and junior high schools.
(91)	Kindergarten Improvement	9,411 (26,142)	0	9,411 (26,142)	Construction of a kindergarten.
(92)	Subsidy for Private Schools	36,778 (102,161)	3,592 (9,978)	40,370 (112,139)	Funds for the Private School Promotion Association; improvement of science equipment of private senior high schools.
(93)	Audio-Visual Library	1,600 (4,444)	0	1,600 (4,444)	Improvement of audio-visual educational materials of the union districts.
(94)	Expansion of School Lunch Program	23,093 (64,147)	0	23,093 (64,147)	Improvement of school lunch supply facilities; salary of school nutritionists.
(95)	Construction of a Community Hall	15,907 (44,186)	0	15,907 (44,186)	Construction of a community hall.
(96)	Construction of Youth House Gymnasium	10,000 (27,778)	0	10,000 (27,778)	Construction of gymnasium of the youth house at Itomancho.
(97)	Statistic Survey on Education	1,049 (2,914)	0	1,049 (2,914)	Statistic survey similar to the GOJ statistic survey on education.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(98)	Health Examination for Teachers	¥ 478 (\$ 1,328)	¥ 0 (\$)	¥ 478 (\$ 1,328)	Health examination for public elementary and junior high school teachers.
(99)	Local Sport Promotion	1,000 (2,778)	0	1,000 (2,778)	Training of sports leaders.
(100) -A	Cultural Property Protection	12,314 (34,206)	5,278 (14,661)	17,592 (48,867)	Restoration, researches, and repair of cultural properties; making of documentary films of intangible cultural properties.
(102)	Scholarship Loan Program	63,594 (176,650)	21,198 (58,883)	84,792 (235,533)	Subsidy to the special scholarship loan fund of the Ryukyu Scholarship Association.
(103) -2-A	Teachers' Training	3,792 (10,533)	0	3,792 (10,533)	Teaching and travel expenses for professors dispatched by the GOJ.
(103) -3	Subsidy for Academic Research	36,608 (101,689)	0	36,608 (101,689)	Subsidy for researches by faculty members of the University of the Ryukyus.
(103) -4	Faculty of Health Sciences, University of the Ryukyus.	128,706 (357,517)	55,160 (153,222)	183,866 (510,739)	Expenses for books and equipment.
(103) -5	Other Departments, University of the Ryukyus	73,552 (204,311)	31,522 (87,561)	105,074 (291,872)	Expenses for books and equipment.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(104)	Improvement of Hospital Facilities, University of the Ryukyus	¥ 337,712 (\$ 938,089)	¥ 144,733 (\$ 402,036)	¥ 482,445 (\$ 1,340,125)	Improvement of hospital facilities and equipment.
(106)	Improvement of Financial Ability of Shi-Cho-Son	3,000,000 (8,333,333)	1,000,000 (2,777,778)	4,000,000 (11,111,111)	Strengthening of local government finance.
(107)	Improvement of Perimeter Roads in Five Main Islands	2,380,000 (6,611,111)	1,020,000 (2,833,333)	3,400,000 (9,444,444)	Improvement of perimeter roads in the five main islands as a reversion commemoration project.
(108)	Improvement of the Former Battlefields	119,355 (331,542)	51,152 (142,089)	170,507 (473,631)	Construction of the Peace Park (the 2d-year expense under 2-year program); restoration of the former Headquarters of the Imperial Japanese Navy.
(109)	Survey for Water Resources Development	192,847 (535,686)	82,648 (229,578)	275,495 (765,264)	Survey for development of water resources (main rivers of Northern Okinawa) and for construction of a raceway.
(110)	Purchase of a Hovercraft	257,850 (716,250)	0	257,850 (716,250)	Purchase of a hovercraft to ply the sea routes of Yaeyama from Ishigaki Port.
(111)	Special Tree-Planting Ceremony	48,402 (134,450)	0	48,402 (134,450)	Preparation for the tree-planting ceremony (ceremony and tree-planting sites and parking area) as a reversion commemoration project.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(112)	Special National Sport Festival	¥1,854,437 (\$5,151,214)	¥ 794,759 (\$2,207,664)	¥ 2,649,196 (\$ 7,358,878)	Improvement of roads in preparation for special national sport festival as a reversion commemoration project.
(113) -1-A	General Technical Assistance	29,468 (81,856)	0	29,468 (81,856)	Expense for training GRI personnel in Japan proper.
(113) -3	Educational and Cultural Training	20,110 (55,861)	0	20,110 (55,861)	Expenses for faculty members of the University of the Ryukyus dispatched to Japan proper.
(114)	Improvement of Fire-Fighting Facilities	24,024 (66,733)	10,296 (28,600)	34,320 (95,333)	Strengthening of firefighting facilities.
(115)	Construction of Firemen's Training School	22,196 (61,656)	9,512 (26,422)	31,708 (88,078)	Construction of Firemen's Training School at Naha-shi.
(116)	Military Base Neighborhood Improvement	226,843 (630,119)	97,219 (270,053)	324,062 (900,172)	Sound-proofing construction works at educational facilities, including Kadena Elementary School; construction of a sound-proof Community Hall in Kadena.
(117)	Pollution Counter-measures	2,069 (5,747)	0	2,069 (5,747)	Purchase of pollution-measuring equipment.
(118)	Improvement of Police Facilities	27,518 (76,439)	11,794 (32,761)	39,312 (109,200)	Construction of quarters for mobile police.
(119)	Improvement of Police Communication Facilities	267,390 (742,750)	10,568 (29,356)	277,958 (772,106)	Construction of police communication facilities; purchase of wreckers, etc.

Item No.	Item	Amount (Unit: ¥1,000)			Total	Description
		JFY 1971	JFY 1972	JFY 1972		
(120)	Traffic Safety Measures	¥ 26,492 (\$ 73,589)	¥ 4,676 (\$ 12,989)	¥ 31,168 (\$ 86,578)		Installing of traffic signals; preparation for implementation of point system.
(121)	Land Survey for Road Construction	10,000 (27,778)	0		10,000 (27,778)	Land survey necessary for road construction.
(122)	Healthy Youth Upbring- ing Measures	1,901 (5,281)	0		1,901 (5,281)	Subsidy to promote development of healthy youth upbringing movement.
(123)	Measures for Remote -A Islands	18,109 (50,303)	0		18,109 (50,303)	Basic survey on transportation facilities (omnibus) in remote islands.
(124)	Construction of Air Pilot Training Airfield	70,000 (194,444)	30,000 (83,333)		100,000 (277,778)	Construction of an air pilot training airfield at Shimoji- jima, Irabu-son (the 2d-year expense).
(125)	Sewer System Project	178,561 (496,003)	76,526 (212,572)		255,087 (708,575)	Construction of facilities at the Isahama Sewer Plant as a sewer system improvement project (the 2d-year expense)
(126)	Diet Representation	30,000 (83,333)	0		30,000 (83,333)	Expenses for election of Diet members (House of Representa- tives).
(127)	Promotion of Emigration	1,419 (3,942)	0		1,419 (3,942)	Subsidy for promotion of emi- gration.

Item No.	Item	Amount (Unit: ¥1,000)			Description
		JFY 1971	JFY 1972	Total	
(128)	Population Census	¥ 2,837 (\$ 7,881)	¥ 0 (\$)	¥ 2,837 (\$ 7,881)	Preparation of reports on the population census conducted in 1970.
(129)	Reformatory Facility Improvement	19,011 (52,808)	0	19,011 (52,808)	Improvement of reformatory and prison facilities.
(130)	Land Survey	60,000 (166,666)	20,000 (55,556)	80,000 (222,222)	Funds for continuation of land boundary survey.
(131)	Standard Map Improvement	53,783 (149,397)	0	53,783 (149,397)	Improvement of standard map of Okinawa.
(132)	Navigational Aid Improvement	33,761 (93,780)	14,469 (40,192)	48,230 (133,972)	Construction of 2 lighthouses; repair of a lighthouse.
(133)	Aircrew Training	4,937 (13,714)	0	4,937 (13,714)	Training of the Nansei Airline aircrew.
(134)	Improvement of Seamen's Training School Facilities	96,089 (266,914)	41,181 (114,392)	137,270 (381,306)	Expenses for school equipment and facilities (preparation for the change of the school system).
(135)	Improvement of Weather Station Facilities	142,713 (396,425)	61,163 (169,897)	203,876 (566,322)	Lease of exclusive microwave channel for meteorological communications, etc.
(136)	Reserve Fund	750,000 (2,083,334)	250,000 (694,444)	1,000,000 (2,777,778)	
	TOTAL	¥29,952,852 (\$83,202,367)	¥12,262,878 (\$34,063,550)	¥ 42,215,730 (\$117,265,917)	

MEMORANDUM CONCERNING ITEMS AND COSTS OF AID PROJECTS
OF THE GOVERNMENT OF JAPAN TO THE RYUKYU ISLANDS
FOR THE JAPANESE FISCAL YEAR OF 1971

An understanding has been reached between the Okinawa-Northern Territories Agency, Government of Japan, and the Government of the Ryukyu Islands (GRI) through the United States Civil Administration of the Ryukyu Islands (USCAR) that, since the budgetary appropriations of the Government of Japan and the investment and financing program have been established for its assistance to the Ryukyu Islands in the Japanese Fiscal Year of 1971 (April 1971 through March 1972) as classified in the Annex (1) and (2) under this Memorandum as the Japanese Government's Aid Program for the Fiscal Year of 1971, the Government of Japan will disburse or loan the funds appropriated for this purpose in accordance with the relevant laws and regulations of Japan, and that the Government of the Ryukyu Islands will agree with such an assistance program.

An understanding has also been reached that the amount of the Japanese Government's Aid for the Fiscal Year of 1972 as classified in the Annex is expected to be provided or loaned by the Government of Japan to the GRI during the period from 1 April 1971 to 30 June of the same year, in principle, subject to a condition that the budgetary appropriations and the investment and financing program of this amount will be established in the Japanese Government's budget for the Fiscal Year of 1972.

/s/ S. Okabe
Director General
Okinawa-Northern Territories Agency
Government of Japan

Date: 21 July 1971

/s/ K. Tomikawa
Director
General Affairs Department
Government of
the Ryukyu Islands
Date: 28 July 1971

Approved for the
High Commissioner:

/s/ D. C. Buckley, LTC, AGC
Chief of Administration
United States Civil Administration
of the Ryukyu Islands

Date: 29 July 1971

JAPANESE GOVERNMENT'S AID PROGRAM
TO THE RYUKYU ISLANDS FOR JFY 1971

ANNEX 1

<u>Item No.</u>	<u>Item</u>	<u>Amount for JFY 1971 (Unit: ¥1,000)</u>
(1)	Administrative Expenses	¥ 520,750 (\$ 1,446,527)
(2)	Agricultural Land Development	35,828 (99,523)
(3)	Agricultural Facilities	31,500 (87,500)
(4)	Forestry Development	29,366 (81,572)
(5)	Road Improvement	93,382 (259,395)
(6)	Piers, Harbors, and Fishing Port Facilities	412,750 (1,146,528)
(7)	Mountain Conservation Work and Flood Control	16,074 (44,649)
(8)	Retaining Walls	12,644 (35,123)
(10)	Livestock Improvement	34,749 (96,525)
(11)	Improvement of Agricultural Structure	6,000 (16,667)
(13)	Funds for Industrial Development	100,000 (277,778)
(14)	Farm Produce Distribution Measures	1,521 (4,225)
(15)	Rationalization of Sugar Industry	11,025 (30,625)
(18)	Promotion of Coastal Fishery	3,078 (8,550)

<u>Item No.</u>	<u>Item</u>	<u>Amount for JFY 1971</u> <u>(Unit: ¥1,000)</u>	
(19)	Construction of Small and Medium Industry Center	¥ (\$	10,800 30,000)
(20)	Modernization of Small and Medium Industries		50,000 (138,889)
(21)	Guidance for Small and Medium Enterprises		3,191 (8,864)
(23)	Urban Planning		86,025 (238,958)
(24)	Construction of Air Pilot Training Airfield		200,000 (555,555)
(26)	Mental Hygiene Program		108,939 (302,608)
(27)-2-A	Hospitalization of TB Patients in Japan		93,366 (259,350)
(27)-3-A	Hospitalization of TB Patients in Okinawa		37,450 (104,028)
(28)	Welfare Measures for the Physically Handicapped		2,878 (7,994)
(29)	Daily Life Security Program		317,058 (880,717)
(30)-1	Child Protection Measures		75,340 (209,278)
(30)-3	Child Support Allowance		20,401 (56,669)
(31)	Welfare Facilities for the Aged		478 (1,328)
(32)	Trash Disposal Facility		17,550 (48,750)
(33)-1	Construction of a Facility for Children with Serious Mental and Physical Disorders		14,225 (39,514)
(33)-2	Construction of Nurseries		17,775 (49,375)

<u>Item No.</u>	<u>Item</u>	<u>Amount for JFY 1971 (Unit: ¥1,000)</u>	
(33)-3	Construction of Miyako Child Welfare Center	¥	5,016
		(\$	13,933)
(33)-4	Welfare Facilities for the Aged		18,644 (51,789)
(34)	Medical Treatment in Remote Areas		3,000 (8,333)
(35)	Expansion and Reconstruction of Seiwa Hospital		20,572 (57,144)
(36)	Activities of Social Welfare Council		375 (1,042)
(39)	Employment Promotion of Physically Handicapped		625 (1,736)
(40)	Municipal Housing		65,920 (183,111)
(41)	Vocational Training Facilities		6,373 (17,703)
(42)	Vocational Training in Military Bases		4,193 (11,647)
(43)-A	Hansen's Disease Countermeasures		323 (897)
(44)-A	Treatment of Atomic Bomb Patients		1,922 (5,339)
(45)	Naha Hospital Facilities		445,551 (1,237,642)
(46)	National Health Insurance		172,608 (479,467)
(47)	National Pension		299,333 (831,480)
(48)	Welfare Pension Insurance		2,484 (6,900)
(49)	Unemployment Insurance		44,227 (122,852)

<u>Item No.</u>	<u>Item</u>	<u>Amount for JFY 1971 (Unit: ¥1,000)</u>	
(50)	Separation Measures for U.S. Forces Employees	¥	64,250 (\$ 178,472)
(51)	Construction of Public Employment Security Office		4,704 (13,067)
(52)	Teachers' Salary		861,727 (2,393,686)
(53)	Free Textbook Program		159,159 (442,108)
(54)	School Facilities		415,665 (1,154,625)
(55)	Kindergarten Facilities		6,366 (17,683)
(61)	Protection of Cultural Properties		1,240 (3,444)
(62)	Special Education School Attendance Encouragement		3,293 (9,147)
(63)	Industrial Education Facilities		15,721 (43,669)
(64)	Government Senior High School Facilities		45,688 (126,911)
(65)	Training Vessel for Fishery High School		21,600 (60,000)
(66)	Remote Area Education Promotion		822 (2,284)
(67)	Expansion of Education Research Center		5,380 (14,945)
(68)-1	Faculty of Health Sciences, University of the Ryukyus		11,173 (31,036)
(68)-2	Other Departments, University of the Ryukyus		14,461 (40,169)
(69)	Scholarship Loan Program		20,250 (56,250)

<u>Item No.</u>	<u>Item</u>	<u>Amount for JFY 1971 (Unit: ¥1,000)</u>
(70)	Improvement of Financial Ability of Shi-Cho-Son	¥ 1,400,000 (\$ 3,888,889)
(71)-1	Construction of Roads in Commemoration of Reversion	524,180 (1,456,056)
(71)-2	Survey of Water Resources in Commemoration of Reversion	4,500 (12,500)
(71)-3	Improvement of Former Battlefields	10,433 (28,981)
(73)	Land Survey	24,000 (66,666)
(74)	Navigational Aid Improvement	15,606 (43,350)
(75)	Aircrew Training	5,649 (15,692)
(76)-2	Weather Station Facilities	22,772 (63,256)
(80)	Public Nuisance Countermeasures	25,471 (70,753)
(81)	Reformatory Facility Improvement	918 (2,550)
(82)	Improvement of Seamen's Training School Facilities	8,002 (22,228)
(84)	Standard Map Improvement	12,585 (34,959)
(87)	Purchase of Helicopters	42,689 (118,581)
(88)	Firefighting Facilities	3,000 (8,333)
(90)	Reserve Fund	250,000 (694,444)
	Industrial Development Fund Loan Special Account	1,150,000 (3,194,444)

<u>Item No.</u>	<u>Item</u>	<u>Amount for JFY 1971 (Unit: ¥1,000)</u>
	Housing Fund Loan Special Account	¥ 1,550,000 (\$ 4,305,555)
	Central Bank of Agriculture, Forestry and Fisheries	190,000 (527,778)
	People's Finance Corporation	510,000 (1,416,667)
	Ryukyu Telegraph and Telephone Public Corporation	100,000 (277,778)
	TOTAL	¥ 10,956,613 <u>(\$ 30,435,036)</u>

JAPANESE GOVERNMENT'S AID PROGRAM
TO THE RYUKYU ISLANDS FOR JFY 1971

ANNEX 2

I. Aid Projects with Aid Funds

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(1)	Administrative Expenses	¥ 2,753,000 (\$ 7,647,222)	¥ 2,751,000 (\$ 7,641,667)	¥ 5,504,000 (\$15,288,889)
(2)	Agricultural Land Development	185,378 (514,939)	82,607 (229,464)	267,985 (744,403)
(3)	Agricultural Facilities	73,500 (204,167)	31,500 (87,500)	105,000 (291,667)
(4)	Forestry Development	56,070 (155,750)	24,030 (66,750)	80,100 (222,500)
(5)	Road Improvement	121,951 (338,753)	52,265 (145,180)	174,216 (483,933)
(6)	Piers, Harbors, and Fishing Port Facilities	912,350 (2,534,306)	391,008 (1,086,133)	1,303,358 (3,620,439)
(7)	Mountain Conservation Works and Flood Control	42,865 (119,069)	18,371 (51,031)	61,236 (170,100)
(8)	Retaining Walls Improvement	36,464 (101,289)	15,628 (43,411)	52,092 (144,700)
(9)	Urban Planning	119,522 (332,006)	51,223 (142,286)	170,745 (474,292)
(12)	Livestock Improvement	82,321 (228,669)	35,281 (98,003)	117,602 (326,672)
(13)	Improvement of Agricultural Structure	12,398 (34,439)	5,314 (14,761)	17,712 (49,200)
(14)	Farm Produce Distribution Measures	4,716 (13,100)	0	4,716 (13,100)
(15)	Plant Quarantine Measures	6,445 (17,903)	0	6,445 (17,903)
(16)	Promotion of Coastal Fishery	25,103 (69,731)	10,758 (29,883)	35,861 (99,614)

Item No.	Item	Amount (Unit: ¥1,000)				Total
		JFY 1971	JFY 1972			
(17)	Rationalization of Sugar Industry	¥ 26,712 (\$ 74,200)	¥ 11,448 (\$ 31,800)			¥ 38,160 (\$ 106,000)
(18)	Guidance for Small and Medium Enterprises	14,670 (40,750)	4,890 (13,583)			19,560 (54,333)
(19)	Modernization of Small and Medium Industries	100,000 (277,778)	0			100,000 (277,778)
(20)	Small and Medium Enterprises Enhancement Fund	123,274 (342,428)	0			123,274 (342,428)
(21)	Guarantee for Small and Medium Enterprises	30,000 (83,333)	0			30,000 (83,333)
(22)	Leasing of Facilities to Small and Medium Enterprises	30,000 (83,333)	0			30,000 (83,333)
(23)	Construction of Small and Medium Industry Center	23,100 (64,167)	9,900 (27,500)			33,000 (91,667)
(24)	Experimental Projects for Agricultural Development	74,260 (206,278)	31,826 (88,406)			106,086 (294,683)
(25)	Improvement of Fisheries Research Station	15,050 (41,805)	6,450 (17,917)			21,500 (59,722)
(26)	Bagasse Feed Development	2,250 (6,250)	0			2,250 (6,250)
(27)	Tick Extermination	63,922 (177,561)	0			63,922 (177,561)
(28)	Improvement of Basic Registers of Farm Household	5,938 (16,494)	0			5,938 (16,494)
(29)	Agricultural and Fisheries Cooperative Personnel's Training Facility	16,100 (44,722)	6,900 (19,167)			23,000 (63,889)
(30) -A	Agricultural Census	55,623 (154,508)	0			55,623 (154,508)
(31)	Land Survey for Reclamation of Industrial Combine Site	5,035 (13,986)	0			5,035 (13,986)
(32)	Industrial Statistics Survey	2,864 (7,956)	0			2,864 (7,956)

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(34)	Airport Facilities Improvement	¥ 400,000 (\$ 1,111,111)	¥ 390,000 (\$ 1,083,333)	¥ 790,000 (\$ 2,194,444)
(35)	Special Assistance for Sugar Industry Development	500,000 (1,388,889)	0	500,000 (1,388,889)
(36)	Industrial Development Fund	100,000 (277,778)	100,000 (277,778)	200,000 (555,556)
(37) -A	Doctors and Dentists from Japan	50,481 (140,225)	0	50,481 (140,225)
(38)	Mental Hygiene Program	397,849 (1,105,136)	132,616 (368,378)	530,465 (1,473,514)
(39) -1-A	Tuberculosis Examination Program	9,959 (27,664)	0	9,959 (27,664)
(39) -2-A	Hospitalization of TB Patients in Japan	236,452 (656,811)	78,817 (218,936)	315,269 (875,747)
(39) -3-A	Hospitalization of TB Patients in Okinawa	170,968 (474,911)	56,989 (158,303)	227,957 (633,214)
(40)	Welfare Measures for the Physically Handicapped	27,358 (75,994)	9,119 (25,331)	36,477 (101,325)
(41)	Daily Life Security Program	1,439,977 (3,999,936)	479,992 (1,333,311)	1,919,969 (5,333,247)
(42) -1	Child Protection Measures	310,679 (862,997)	103,559 (287,664)	414,238 (1,150,661)
(42) -2	Medical Treatment of Children with Heart Disease	6,372 (17,700)	0	6,372 (17,700)
(42) -3	Child Support Allowance	85,675 (237,986)	28,558 (79,328)	114,233 (317,314)
(42) -4	Special Nursing Program	3,722 (10,339)	1,241 (3,447)	4,963 (13,786)
(43)	Welfare Measures for the Aged	101,165 (281,014)	33,721 (93,669)	134,886 (374,683)
(44)	Trash Disposal Facility	94,337 (262,047)	40,430 (112,306)	134,767 (374,353)

Item No.	Item	Amount (Unit: ¥1,000)			Total
		JFY 1971	JFY 1972		
(45) -1	Relief Facility Improve- ment	¥ 12,855 (\$ 35,708)	¥ 5,510 (\$ 15,306)	¥ 18,365 (\$ 51,014)	
(45) -2	Children's Nursery Construction	75,537 (209,825)	32,373 (89,925)	107,910 (299,750)	
(45) -3	Infant Home Construction	2,633 (7,314)	1,128 (3,133)	3,761 (10,447)	
(45) -4	Mother-Child Dormitory Construction	11,163 (31,008)	4,784 (13,289)	15,947 (44,297)	
(45) -5	Construction of Compre- hensive Vocational Train- ing Facilities for the Physically Handicapped	19,738 (54,828)	8,459 (23,497)	28,197 (78,325)	
(45) -6	Construction of Welfare Facility for the Blind	9,230 (25,639)	3,956 (10,989)	13,186 (36,628)	
(46)	Expansion of Seiwa Hospital	11,539 (32,053)	0	11,539 (32,053)	
(47)	Activity of the Social Welfare Council	2,915 (8,097)	971 (2,697)	3,886 (10,794)	
(48)	Mother-Child Welfare Fund	10,000 (27,778)	0	10,000 (27,778)	
(49)	Widow Welfare Fund	5,000 (13,889)	0	5,000 (13,889)	
(50)	Household Rehabilitation Fund	30,603 (85,008)	0	30,603 (85,008)	
(51)	Employment Promotion for the Physically Handicapped	4,384 (12,178)	1,461 (4,058)	5,845 (16,236)	
(52)	Improvement of Vocational Training Facilities	7,890 (21,917)	0	7,890 (21,917)	
(53)	Municipal Housing Construction	242,648 (674,022)	103,992 (288,867)	346,640 (962,889)	
(54)	Nursing Governess for Children of Mothers in Maternity Condition	317 (880)	0	317 (880)	

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(55)	Nursery Governess Training Fund Loan	¥ 180 (\$ 500)	¥ 0 (\$)	¥ 180 (\$ 500)
(56)	Welfare Office Improvement	1,026 (2,850)	0	1,026 (2,850)
(57)	District Welfare Officers' Operation Expenses	891 (2,475)	0	891 (2,475)
(58)	Protection of Women	43,263 (120,175)	13,387 (37,186)	56,650 (157,361)
(59)	Disease Prevention	15,000 (41,667)	5,000 (13,889)	20,000 (55,556)
(60)	Mother-Child Health Promotion	9,560 (26,555)	2,337 (6,492)	11,897 (33,047)
(61)	Nursing School Facil- ities Improvement	37,218 (103,383)	15,951 (44,308)	53,169 (147,691)
(62)	Training in Clinical Study	69,631 (193,419)	23,210 (64,472)	92,841 (257,892)
(63)	Governmental Hospital Facilities Improvement	16,398 (45,550)	7,027 (19,519)	23,425 (65,069)
(64)	Governmental Clinic Facilities Improvement	1,792 (4,978)	0	1,792 (4,978)
(65)	Habu Countermeasures	2,979 (8,275)	0	2,979 (8,275)
(66)	Vocational Training	8,157 (22,658)	2,719 (7,553)	10,876 (30,211)
(67)	Unemployment Counter- measures	148,397 (412,214)	49,466 (137,406)	197,863 (549,619)
(68)	Industrial Development Youth Corps Training	21,994 (61,094)	0	21,994 (61,094)
(69)	Establishment of Public Vocational Guidance Center for Part-Time Workers	13,906 (38,628)	874 (2,428)	14,780 (41,056)
(70)	Construction of Youth Workers' Home	7,875 (21,875)	3,375 (9,375)	11,250 (31,250)

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(71)	Employment Promotion for Old and Middle-Aged Job- less People	¥ 23,045 (\$ 64,014)	¥ 7,681 (\$ 21,336)	¥ 30,726 (\$ 85,350)
(72)	Daily Laborers Employ- ment Promotion	2,432 (6,755)	810 (2,250)	3,242 (9,005)
(73)	Water System Projects	98,128 (272,578)	42,055 (116,819)	140,183 (389,397)
(74)	Rural Electrification	25,830 (71,750)	11,070 (30,750)	36,900 (102,500)
(75)	Vocational Training in Military Bases	21,285 (59,125)	7,095 (19,708)	28,380 (78,833)
(76)	Construction of Social Welfare Center	10,500 (29,167)	4,500 (12,500)	15,000 (41,667)
(77) -A	Measures for Atomic Bomb Patients	5,771 (16,031)	1,924 (5,344)	7,695 (21,375)
(78) -A	Hansen's Disease Countermeasures	22,643 (62,897)	7,548 (20,967)	30,191 (83,864)
(79)	National Health Insurance	673,937 (1,872,047)	224,646 (624,017)	898,583 (2,496,064)
(80)	National Pension	1,034,138 (2,872,606)	344,713 (957,536)	1,378,851 (3,830,142)
(81)	Welfare Pension Insurance	12,115 (33,653)	4,038 (11,216)	16,153 (44,869)
(82)	Unemployment Insurance	146,395 (406,653)	48,798 (135,550)	195,193 (542,203)
(83)	Measures for Persons Separated from U.S. Forces Employment	431,087 (1,197,464)	143,696 (399,156)	574,783 (1,596,619)
(84)	Teachers' Salary	4,677,185 (12,992,180)	1,348,375 (3,745,486)	6,025,560 (16,737,666)
(85)	Free Textbook Program	63,788 (177,189)	197,300 (548,056)	261,088 (725,245)

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(86)	Public School Facilities Improvement	¥ 1,667,070 (\$ 4,630,750)	¥ 714,458 (\$ 1,984,606)	¥ 2,381,528 (\$ 6,615,356)
(87)	Purchase of School Equipment	433,283 (1,203,564)	0	433,283 (1,203,564)
(88)	Encouragement of Special School Attendance	10,981 (30,503)	3,660 (10,166)	14,641 (40,669)
(89)	Encouragement of School Attendance for Children of Poor Families	58,880 (163,556)	19,627 (54,519)	78,507 (218,075)
(90)	Promotion of Education in Remote Area	6,049 (16,803)	2,017 (5,603)	8,066 (22,406)
(91)	Kindergarten Improvement	9,411 (26,142)	0	9,411 (26,142)
(92)	Subsidy for Private Schools	36,778 (102,161)	3,592 (9,978)	40,370 (112,139)
(93)	Audio-Visual Library	1,600 (4,444)	0	1,600 (4,444)
(94)	Expansion of School Lunch Program	23,093 (64,147)	0	23,093 (64,147)
(95)	Construction of a Community Hall	15,907 (44,186)	0	15,907 (44,186)
(96)	Construction of Youth House Gymnasium	10,000 (27,778)	0	10,000 (27,778)
(97)	Statistic Survey on Education	1,049 (2,914)	0	1,049 (2,914)
(98)	Health Examination for Teachers	478 (1,328)	0	478 (1,328)
(99)	Local Sport Promotion	1,000 (2,778)	0	1,000 (2,778)
(100) -A	Cultural Property Protection	12,314 (34,206)	5,278 (14,661)	17,592 (48,867)
(102)	Scholarship Loan Program	63,594 (176,650)	21,198 (58,883)	84,792 (235,533)

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(103) -2-A	Teachers' Training	¥ 3,792 (\$ 10,533)	¥ 0 (\$)	¥ 3,792 (\$ 10,533)
(103) -3	Subsidy for Academic Research	36,608 (101,689)	0	36,608 (101,689)
(103) -4	Faculty of Health Sciences, University of the Ryukyus	128,706 (357,517)	55,160 (153,222)	183,866 (510,739)
(103) -5	Other Departments, Uni- versity of the Ryukyus	73,552 (204,311)	31,522 (87,561)	105,074 (291,872)
(104)	Improvement of Hospital Facilities, University of the Ryukyus	337,712 (938,089)	144,733 (402,036)	482,445 (1,340,125)
(106)	Improvement of Financial Ability of Shi-Cho-Son	3,000,000 (8,333,333)	1,000,000 (2,777,778)	4,000,000 (11,111,111)
(107)	Improvement of Perimeter Roads in Five Main Islands	2,380,000 (6,611,111)	1,020,000 (2,833,333)	3,400,000 (9,444,444)
(108)	Improvement of the Former Battlefields	119,355 (331,542)	51,152 (142,089)	170,507 (473,631)
(109)	Survey for Water Re- sources Development	192,847 (535,686)	82,648 (229,578)	275,495 (765,264)
(110)	Purchase of a Hovercraft	257,850 (716,250)	0	257,850 (716,250)
(111)	Special Tree-Planting Ceremony	48,402 (134,450)	0	48,402 (134,450)
(112)	Special National Sport Festival	1,854,437 (5,151,214)	794,759 (2,207,664)	2,649,196 (7,358,878)
(113) -1-A	General Technical Assistance	29,468 (81,856)	0	29,468 (81,856)
(113) -3	Educational and Cultural Training	20,110 (55,861)	0	20,110 (55,861)
(114)	Improvement of Fire- Fighting Facilities	24,024 (66,733)	10,296 (28,600)	34,320 (95,333)
(115)	Construction of Firemen's Training School	22,196 (61,656)	9,512 (26,422)	31,708 (88,078)

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(116)	Military Base Neighborhood Improvement	¥ 226,843 (\$ 630,119)	¥ 97,219 (\$ 270,053)	¥ 324,062 (\$ 900,172)
(117)	Pollution Countermeasures	2,069 (5,747)	0	2,069 (5,747)
(118)	Improvement of Police Facilities	27,518 (76,439)	11,794 (32,761)	39,312 (109,200)
(119)	Improvement of Police Communication Facilities	267,390 (742,750)	10,568 (29,356)	277,958 (772,106)
(120)	Traffic Safety Measures	26,492 (73,589)	4,676 (12,989)	31,168 (86,578)
(121)	Land Survey for Road Construction	10,000 (27,778)	0	10,000 (27,778)
(122)	Healthy Youth Upbringing Measures	1,901 (5,281)	0	1,901 (5,281)
(123)	Measures for Remote Islands	18,109 (50,303)	0	18,109 (50,303)
(124)	Construction of Air Pilot Training Airfield	70,000 (194,444)	30,000 (83,333)	100,000 (277,778)
(125)	Sewer System Project	178,561 (496,003)	76,526 (212,572)	255,087 (708,575)
(126)	Diet Representation	30,000 (83,333)	0	30,000 (83,333)
(127)	Promotion of Emigration	1,419 (3,942)	0	1,419 (3,942)
(128)	Population Census	2,837 (7,881)	0	2,837 (7,881)
(129)	Reformatory Facility Improvement	19,011 (52,808)	0	19,011 (52,808)
(130)	Land Survey	60,000 (166,666)	20,000 (55,556)	80,000 (222,222)
(131)	Standard Map Improvement	53,783 (149,397)	0	53,783 (149,397)

Item No.	Item	Amount (Unit: ¥1,000)			Total
		JFY 1971	JFY 1972		
(132)	Navigational Aid Improvement	¥ 33,761 (\$ 93,780)	¥ 14,469 (\$ 40,192)	¥ 48,230 (\$ 133,972)	
(133)	Aircrew Training	4,937 (13,714)	0	4,937 (13,714)	
(134)	Improvement of Seamen's Training School Facilities	96,089 (266,914)	41,181 (114,392)	137,270 (381,306)	
(135) -2	Improvement of Weather Station Facilities	142,713 (396,425)	61,163 (169,897)	203,876 (566,322)	
(136)	Reserve Fund	750,000 (2,083,334)	250,000 (694,444)	1,000,000 (2,777,778)	
	TOTAL	¥29,952,852 (\$83,202,367)	¥12,262,878 (\$34,063,550)	¥ 42,215,730 (\$117,265,917)	

II. Other Aid Projects

(10)	Survey for Highway Construction	2,000 (5,556)	0	2,000 (5,556)	
(11)	Model Farm	15,230 (42,306)	0	15,230 (42,306)	
(30) -B	Agricultural Census	1,377 (3,825)	0	1,377 (3,825)	
(33)	Survey for Establishment of Sugarcane Foundation Seed Farm	2,000 (5,556)	0	2,000 (5,556)	
(37) -B	Doctors and Dentists from Japan	66,350 (184,306)	0	66,350 (184,306)	
(39) -1-B	Expansion of Tuberculosis Examination	2,219 (6,164)	0	2,219 (6,164)	
(39) -2-B	Hospitalization of TB Patients in Japan	691 (1,919)	0	691 (1,919)	
(77) -B	Measures for Atomic Bomb Patients	625 (1,736)	0	625 (1,736)	
(78) -B	Hansen's Disease Countermeasures	6,131 (17,031)	0	6,131 (17,031)	

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(100) -B	Protection of Cultural Property	¥ 1,002 (\$ 2,783)	¥ 0 (\$)	¥ 1,002 (\$ 2,783)
(101)	National Government Scholarship Program	141,693 (393,592)	0	141,693 (393,592)
(103) -1	Educational Personnel from Japan	27,019 (75,053)	0	27,019 (75,053)
(103) -2-B	Training of Educational Personnel	786 (2,183)	0	786 (2,183)
(103) -6	Survey Expenses	4,023 (11,175)	0	4,023 (11,175)
(105)	Improvement of National Youth House	18,365 (51,014)	0	18,365 (51,014)
(113) -1-B	General Technical Assistance	82,795 (229,986)	0	82,795 (229,986)
(113) -2	Educational Guidance	18,313 (50,869)	0	18,313 (50,869)
(123) -B	Measures for Remote Area	2,000 (5,556)	0	2,000 (5,556)
(135) -1	High Altitude Meteorolo- gical Observation	43,420 (120,611)	0	43,420 (120,611)
	TOTAL	¥ 436,039 (\$ 1,211,221)	¥ 0 (\$ 0)	¥ 436,039 (\$ 1,211,221)

III. Aid Projects to be Executed by the Government of Japan through the Nampo Doho Engo Kai

(137) -1	Books for Community Centers	15,192 (42,200)	0	15,192 (42,200)
(137) -2	Sport Teams to Japan	2,000 (5,556)	0	2,000 (5,556)
(137) -3	Improvement of Hospitals and Other Facilities	32,815 (91,153)	0	32,815 (91,153)

Item No.	Item	Amount (Unit: ¥1,000)		Total
		JFY 1971	JFY 1972	
(137) -4	Improvement of Miyagibaru Rehabilitation Center	¥ 18,389 (\$ 51,080)	¥ 0 (\$)	¥ 18,389 (\$ 51,080)
	TOTAL	¥ 68,396 (\$ 189,989)	¥ 0 (\$ 0)	¥ 68,396 (\$ 189,989)

IV. Aid Projects to be Executed with Loan Funds

(1)	Industrial Development Fund Loan Special Account	1,410,000 (3,916,667)	1,410,000 (3,916,667)	2,820,000 (7,833,333)
(2)	Housing Fund Loan Special Account	1,620,000 (4,500,000)	1,620,000 (4,500,000)	3,240,000 (9,000,000)
(3)	People's Finance Corporation	590,000 (1,638,889)	590,000 (1,638,889)	1,180,000 (3,277,778)
(4)	Ryukyu Telegraph and Telephone Public Corporation	750,000 (2,083,333)	750,000 (2,083,333)	1,500,000 (4,166,667)
(5)	Okinawa Hoso Kyokai	180,000 (500,000)	180,000 (500,000)	360,000 (1,000,000)
(6)	Loans to Shi-Cho-Son	550,000 (1,527,778)	550,000 (1,527,778)	1,100,000 (3,055,556)
(7)	Loans to the Government of the Ryukyu Islands	700,000 (1,944,444)	700,000 (1,944,444)	1,400,000 (3,888,889)
(8)	Loans for Encouraged Retirement	1,200,000 (3,333,333)	1,200,000 (3,333,333)	2,400,000 (6,666,667)
	TOTAL	¥ 7,000,000 (\$19,444,444)	¥ 7,000,000 (\$19,444,444)	¥14,000,000 (\$38,888,888)

MEMORANDUM CONCERNING SALE OF RICE BY THE GOVERNMENT OF JAPAN
TO THE GOVERNMENT OF THE RYUKYU ISLANDS
FOR CALENDAR YEAR 1971

1. (Purpose) The purpose of this Memorandum is to provide for the arrangements necessary for the sale of rice by the Government of Japan to the Government of the Ryukyu Islands in 1971. The sale of rice, to be conducted in accordance with the provisions of the Law Concerning Special Measures for Sale of Rice by the Government of Japan to the Government of the Ryukyu Islands for Promotion and Development of Industries in Okinawa, is intended to secure financial resources for the funds needed to expedite industrial development in Okinawa.
2. (Conditions of Sale) The conditions of sale shall be as follows:
 - a. Selling price shall be determined by the Government of Japan, taking into consideration the consumer price of rice in Okinawa.
 - b. Payment shall be made in equal annual installments without collateral and free of interest within the period of twenty years including a grace period of up to three years as specified in each sales contract.
3. (Purpose of Fund) The Government of the Ryukyu Islands shall reserve the money to be obtained through the sale of rice purchase from the Government of Japan so as to use it for such purposes as the improvement and development of agricultural infrastructure, the betterment in industrial structure of agricultural product-processing industries including the sugar-refining industry, the development and rational use of water resources, and other industrial development purposes to be decided by the Government of Japan.
4. (Purchase, Selection of Projects and Funding) In order to purchase rice in accordance with this Memorandum, the Government of the Ryukyu Islands, pursuant to approval of the United States Civil Administration of the Ryukyu Islands, shall obtain the prior concurrence of the Government of Japan in (1) a purchase schedule, and (2) proposed projects and terms of financing from, the repayment to, the reserve fund created by the program. Similar concurrence shall be obtained in order to change the above arrangements. However, no prior concurrence shall be required in case a proposed change is of a minor nature.
5. (Measures to be Taken in Case of Misuse) In case the Government of the Ryukyu Islands uses the reserve fund for purposes other than those concurred in by the Government of Japan, the Government of Japan shall demand an immediate repayment by the Government of the Ryukyu Islands of the fund in the amount used for such unapproved purposes.
6. (Survey and Report) The Government of Japan may request at any time the Government of the Ryukyu Islands to submit a report on the use of the

reserve fund; and the Government of Japan may also conduct, as necessary a survey on the use of the fund in cooperation with the United States Civil Administration of the Ryukyu Islands and with the assistance of the Government of the Ryukyu Islands.

7. (Report on Use of the Reserve Fund) The Government of the Ryukyu Islands shall submit to the Government of Japan a report on the use of the reserve fund within six months after the end of each fiscal year.

8. (Sale of Rice Between the GOJ and the GRI) Sale of rice by the Government of Japan to the Government of the Ryukyu Islands shall be made in accordance with a sales contract conforming to the purchase schedule as provided for in the paragraph 4 above between an official in charge of contracts of the Food Agency of the Government of Japan and the Head of the Tokyo Liaison Office of the Government of the Ryukyu Islands acting as the agent of the Chief Executive of the Government of the Ryukyu Islands.

9. (Amendment of Memorandum) The provisions of this Memorandum may be amended by agreement of the Government of Japan, the United States Civil Administration of the Ryukyu Islands and the Government of the Ryukyu Islands.

10. (Validity of Memorandum) This Memorandum shall come into force on the date when all of the following three parties have signed and the signature on the part of the Government of the Ryukyu Islands has been approved by USCAR.

/s/ T. Kamenaga
Director General, Food Agency
Ministry of Agriculture & Forestry
Government of Japan

Date: 16 March 1971

/s/ Shuichi Okabe
Director General
Okinawa-Northern Territories Agency
Prime Minister's Office
Government of Japan

Date: 16 March 1971

Approved for the High Commissioner:

/s/ Kiyoshi Tomikawa
Director, General Affairs Department
Government of the Ryukyu Islands

Date: 30 April 1971

/s/ H. L. Conner
Chief of Administration
United States Civil Administration
of the Ryukyu Islands

Date: 1 May 1971

ADMINISTRATIVE POLICY MESSAGE OF CHIEF EXECUTIVE CHOBYO YARA
TO THE LEGISLATURE OF THE GOVERNMENT OF THE RYUKYU ISLANDS
12 JUNE 1971

On the occasion of requesting legislative action on the Fiscal Year 1972 Government of the Ryukyu Islands (GRI) budget, I am honored to have this opportunity to comment on my policies and views.

The return of our prefectural people to the fatherland, which will completely restore our status as nationals of Japan, is about to take place in 1972 after a lapse of a quarter of a century. Inasmuch as FY 1972 will be the last fiscal year for the GRI, the policy speech I am about to make will be the last administrative policy statement of the GRI.

I am keenly aware of the importance of my responsibility as the Chief Administrator in this historic transition period of our native land, and I have been carefully examining what should be done during this limited period until reversion. At this time, I would like to state my basic administrative policy for FY 1972.

1. Matters of greatest concern to the prefectural people with the approach of reversion are the contents of the Reversion Agreement, which will have an important influence on the livelihood of the prefectural people, both directly and indirectly; transitional measures to be effected for various systems with reversion; basic matters indicating the direction of economic development; and contents of pertinent laws and decrees.

In order to fully reflect the will of the people and to achieve reversion to the fatherland as desired by the prefectural people, careful consideration has been given to the planning of reversion measures. In May 1970, the post of Acting Adviser to the Reversion Preparatory Commission was established; and in October 1970, a Reversion Measures Office, charged exclusively with reversion measures, was set up, together with the establishment of a Reversion Measures Council in each department. We are putting the functions of these agencies into full play in planning reversion measures.

With a view to utilizing the wisdom of the prefectural people on a broad basis so that there will be no regrets over the reversion measures, we also inaugurated a Prefectural People's Council in January 1971, and we are receiving the cooperation of the people concerned.

I am also reassured by the fact that the legislature is likewise exerting its efforts to reflect the wishes of the prefectural people through its Special Committee on Reversion Measures.

Furthermore, as is well known, representation of the Okinawan people in Diet deliberations in this historically important transition period

was achieved with the election of seven members from Okinawa to the House of Councillors and House of Representatives. These representatives are taking every opportunity in the Diet to make appeals for the prefectural people.

For Okinawa, it was indeed timely that Diet representation was materialized in the midst of the preparations for reversion. I have placed great expectations on the activities of the seven Diet members.

2. Since I assumed the post of Chief Executive, I have always maintained opposition to the military bases and to the Japan-U.S. Security Treaty. This posture and position of mine remain unchanged even now. Accordingly, I desire that all anxieties involving the military bases be eased in the reversion of Okinawa. Even though my desires may not be fulfilled immediately and completely, I strongly wish to realize a change in the status of the military bases and an alleviation of the anxieties of the prefectural people. I am determined to continue my opposition, with public opinion as my support.

Today, when reversion is only a year away, no clarification has yet been made of the plans for the readjustment and reduction of U.S. military bases in Okinawa. There have even been reports of the deployment of the Japan Self-Defense Forces to Okinawa. The stationing of the Self-Defense Forces in Okinawa, in addition to the presence of U.S. military bases, can be construed as a strengthening of the military bases in Okinawa. If the Self-Defense Forces are to replace the U.S. military bases, it can be interpreted as signifying a change in the nature of the Self-Defense Forces. Therefore, the deployment of the Self-Defense Forces to Okinawa will stimulate concern among foreign countries and will not help to alleviate the anxieties stemming from the military bases. Moreover, the prefectural people are against anything linked with war, based on their experiences in the past war and under the postwar U.S. military rule. For such reasons, I must express my opposition to the deployment of the Self-Defense Forces.

Next, a problem related to the military bases, which is causing concern and attention both at home and abroad as one of the biggest political issues, is the removal of poison gas weapons. Without the slightest knowledge of the prefectural people, the U.S. Forces introduced poison gas weapons into Okinawa, the use of which is banned under international law and is impermissible from a humanitarian standpoint. The people of Okinawa Prefecture have denounced this outrage by the U.S. Forces and have been demanding the immediate removal of these weapons. As a result, we were able to have about 150 tons of mustard gas, out of approximately 13,000 tons stored on Okinawa, removed on 13 January. The remaining large quantity of gas munitions includes GB, VX, and other nerve gases of high toxicity, and their removal is an urgent necessity.

With the people's safety in mind, the government is endeavoring to take the best possible measures for an early, safe removal of the gas munitions and wants to continue its efforts in cooperation with all the

prefectural people to see that these munitions are completely removed by the end of the summer as scheduled.

3. The reversion agreement, which is a matter of prime concern to the prefectural people and which will influence their future destiny, is reportedly to be signed in a few days. Its contents, as far as we can understand from the interim report, are far from the ardent wishes of the prefectural people. It is regretted that the opinions of the people have not been reflected and that some suspicions and complaints have arisen over the status of the military bases; the question of claims; and the handling of the Voice of America and other broadcasting facilities, the 7th Psychological Operations Group and other special units, the SR-71 reconnaissance planes, etc. I intend to strongly request, to the end, that the demands of the prefectural people be reflected to the fullest extent in the reversion agreement.

Since the end of the war, our homeland government has consistently advocated the removal of nuclear bases through its three-point nonnuclear policy, backed by public opinion. This policy has also been and is the universal and absolute demand of the prefectural people. On this basis, I strongly demand that this be precisely agreed upon and stipulated in the reversion agreement.

In regard to contracts for use of land by the military following reversion, I am going to request that actions be taken in line with the demands of the prefectural people and not on a package contract basis. The same will be requested in the handling of tacitly approved farmland.

Meanwhile, I strongly request the United States to thoroughly fulfill its responsibility as the administering authority until Okinawa reverts to the fatherland. Along with financial assistance for the promotion of the people's welfare, I particularly request that the release of military-used land be carried out through careful planning in accordance with the Okinawa promotion and development plan, and that complete compensation be paid for the restoration of land to its original state.

4. With regard to the application of various Japanese systems upon reversion, I have carefully implemented measures to prevent--and have also requested the homeland government to prevent--economic and social confusion and undue hardships on the livelihood of the prefectural inhabitants which will arise if an abrupt transition were to be effected. Parts 1 and 2 of the Reversion Measures Outline were adopted by the Japanese Cabinet last November and this March, respectively. It is regretted, however, that the will of the prefectural inhabitants has not been fully reflected in the Outline. In order to expedite socio-economic development, provide an alternative to the base economy, and eliminate differences between Okinawa and the mainland, the GRI, last September, formulated a Long-Range Economic Development Program and, since then, has requested its implementation by the homeland government. The attitude of the national government toward the overall development of Okinawa was revealed in Part 1 of the

Outline, which read in part, "a comprehensive development program shall be formulated for the elimination of differences between Okinawa and the mainland; strengthening of social capital and industrial foundations; and development of the postreversion socio-economic structure. In formulating this program, the recently publicized GRI Long-Range Economic Development Plan shall be respected, and the opinions of various sectors at all levels shall also be reflected." Moreover, Part 2 of the Outline indicated the basic course of action for the development of Okinawa. It read in part, "the objective shall be the development and construction of a prosperous society in the Okinawa region through utilization of characteristics peculiar to its semi-tropical climate, industrial development, environmental improvement and preservation, and establishment of transportation and communications networks. I shall strive to have the will of the prefectural inhabitants reflected and respected in the socio-economic development of Okinawa and to see that the development program is positively carried out and its goals attained.

Matters not included in Parts 1 and 2 are expected to be covered in Part 3 of the Outline. These are matters of extreme importance, such as the revamping of the tax structure which will greatly affect the livelihood of the prefectural people and the survival of business enterprises, and the organization and functions of the central and local agencies of the national government which will have a bearing on the development and autonomy of Okinawa.

I intend to realize the stabilization of the livelihood of the prefectural inhabitants, the promotion of local industries, and the establishment of local autonomy by strengthening the internal structure and by carrying out careful, yet positive, coordination with the homeland government.

5. The aforementioned reversion measures have an important bearing on the promotion and development of an economic society. However, the immediate urgency is to determine what promotion plans should be drawn up and implemented by reversion day. Therefore, I first considered the programs which should be given preference and carried out in the remaining one-year period, and decided on the following programs, along with the consolidation of the internal structure of the Executive Branch to insure a smooth turnover to national and prefectural governments at the time of reversion:

a. Consolidation of Social Capital

It is my wish to see that the various differences with Japan are reduced as much as possible by reversion day. For this purpose, priority will be given to the consolidation of the economic and social environment based on a long-range view. I plan to consolidate such basic social capital as communication facilities, housing, water and sewer systems, etc., including projects to improve traffic facilities, circuit roads on the five major islands, and Naha Airport. Many of these are already under way from previous fiscal years as reversion commemoration projects. At the

same time, I will carry out projects for flood control and utilization of major rivers for the development of resources to meet water requirements.

b. Promotion of Agriculture, Forestry, and Fisheries

Concerning agriculture, forestry, and fishery, I shall plan an increase of income for farmers and fishermen by carrying out, on a priority basis, the adjustment of land reform, consolidation of fishing ports, development of experimental projects to renovate agricultural operations, introduction of superior breeding stock for livestock development, eradication of ticks through use of helicopters for aerial spraying, creation of large fish nests for the improvement of coastal fishing, and development of fish cultivation.

c. Promotion of Commerce and Industry

With regard to commerce and industry, we intend to push prefectural development by promoting the qualitative improvement of existing enterprises through emphasis on modernization of medium and small enterprises and by expanding employment through introduction of new enterprises, while taking into full consideration the prevention of public nuisances. As for the tourist industry, we will promote the improvement of maritime parks and lodging facilities by making best use of our natural surroundings, the only prefecture located in a subtropical zone and blessed with rich resources for tourism. Moreover, we plan to protect the natural beauty of areas in Okinawa so that they can be designated as national parks after reversion.

With regard to the opening of an international oceanic exposition in Okinawa, a survey is being conducted by various organizations concerned, including the Government of Japan (GOJ), and we will strongly request the GOJ to hold the exposition in 1975. We plan to promote the development of oil resources in the vicinity of the Senkaku Islands by giving priority to prefectural interests.

As for electric power facilities, we intend to establish a unified system of power generation and supply by promoting the merger of the five power distribution companies on Okinawa (main island) and to take appropriate measures to realize a 24-hour power supply on offshore islands and to minimize the differences in power rates. However, we intend to make further studies with regard to the handling of power facilities.

d. Completion of Social Welfare

In the area of social welfare, we will make efforts to minimize differences between Japan and Okinawa by improving livelihood protection standards as well as measures and facilities for the welfare of the aged, children, and the physically handicapped. With regard to health and medical treatment, we will exert every effort to improve the facilities of health centers, hospitals, and clinics and take active measures to secure

doctors. We will also strive to provide the inhabitants with an equal opportunity to receive medical treatment by establishing a medical insurance system applicable to all.

e. Improvement of Educational Environment

The basic objective of education is to produce citizens responsible in judgment and behavior; rich in knowledge, creative power, and social adaptability; and sound in mind and body; as well as to foster a peaceful and democratic nation through the maximum development of each individual's potential ability according to his aptitude.

In particular, the development of human ability is important as a driving force for the social and economic development of a modern society where technological renovation and informational activities are making remarkable progress. Therefore, we intend to make further efforts to increase the benefits of education by improving the preschool, primary, and secondary educational environment, including preparations for the elevation of the University of the Ryukyus to a national university, and to raise the level of the prefectural people by improving social education.

Moreover, we intend to make preparations for the holding of a special national athletic meet on Okinawa in 1973 in commemoration of reversion in order to improve the physical strength of the prefectural people and to create enthusiasm for the development of Okinawa Prefecture.

f. Improvement of Labor Welfare

The labor situation is a matter of concern because of the mass dismissals of military employees since the year before last, the decreased number of new job openings due to apprehensions over approaching reversion, and the outflow of large numbers of Okinawan youths to Japan since 1968 in search of better job opportunities. If this state of affairs continues, it will result in a population decrease, with an increasing number of aged persons and a diminishing number of employed persons bringing about a decline of our industries.

Consequently, I propose, as mentioned above, to create more jobs through the fosterage of existing industries and through improvement of conditions for the establishment of new industries. At the same time, we will work out a basic employment policy to enable dismissed military employees and new graduates to find jobs, set up a vocational training center to increase the number of skilled workers, inaugurate a guidance center for the promotion of home industries, encourage the reemployment of older persons, and promote the employment of day laborers, and establish an employment measures liaison council.

Furthermore, I will endeavor to promote labor welfare with emphasis on the efficient management of labor insurance programs, establishment of a home for working youths, and improvement of working conditions.

g. Promotion of Outlying Islands and Remote Areas

As for the outlying islands and remote areas, I will push for the construction of roads and ports, improvement of shipping services, installation of submarine cables, and improvement of electric power plants and water supply systems to eliminate inconveniences common to residents of these areas so that each may contribute in his own way to the development of the prefecture.

h. Improvement of Social Environment

Since assuming the post of Chief Executive, I have exerted every effort to improve the social environment of Okinawa, laying stress on the restoration of a sound society. Despite this, various crimes and phenomena that symbolize an unwholesome society are still present. I promise to devote myself to the elimination of these aspects, and to the sound fosterage of youths and the rehabilitation of misguided women. I will exert my efforts toward traffic safety and the maintenance of social order and security which will guarantee a peaceful life for the people and enable them to contribute their share toward the construction of a bright prefecture.

Along with social progress, environmental pollution caused by industries and the military bases has become a major social and political problem requiring adequate countermeasures. I am determined to rise to the occasion. For this reason, I have requested the adoption of basic laws for the prevention of public nuisances and atmospheric pollution.

i. Improvement of Shi-Cho-Son Administration and Finance

Because the level of shi-cho-son administration and finance directly affects the welfare of the people in each district, we must raise the administrative and financial level of our villages and towns to accompany the switchover to Japanese systems and institutions following reversion. Consequently, we must speed up the merger of municipalities and, in so doing, strengthen them administratively and financially. At the same time, I intend to increase the amount of government grants to the shi-cho-son in order to provide them with an adequate revenue source, eventually reaching the financial level of similar counterparts in Japan, thus establishing the autonomy and self-governing ability of our shi-cho-son.

I have stated the basic aims of our administrative policy. However, the promotion of these programs and projects as well as the fulfillment of the responsibilities of the GRI in its final fiscal year would be difficult without the cooperation of the legislature and the prefectural people. Therefore, I humbly seek the cooperation of the legislature from the bottom of my heart.

I would also like to take this opportunity to express my views concerning the basic concept for the construction of a new Okinawa and seek the understanding and cooperation of the prefectural people through the good offices of the members of the legislature.

First of all, it is my desire to incorporate the special features of democracy into the basic concept for the construction of a new Okinawa. By special features, I mean the equal dignity of mankind. In the first place, no human being, maintaining his dignity and equality under the universal principles of mankind, and no community where such beings are residing, should be used or coercively sacrificed (victimized) as a means to fulfill the objectives of any power. However, as you may be well aware, Okinawa was the defense line of our fatherland during the Great War, and it was compelled to plunge itself into that war in order to defend that line, thus bringing about the deaths of more than 100,000 of our fellow countrymen. After the war, Okinawa was sacrificed as the result of our nation's defeat; and Okinawa was entrusted to the occupational administration of an alien people and to an unknown future. The United States, by exercising its administrative rights, willfully took advantage of Okinawa and planned the construction of a powerful military base. In the course of building and operating that base, Okinawa was utilized to carry out projects of military priority. Thus, Okinawa has undergone sacrifices, and the people have suffered from countless damage and public nuisances emanating from the military bases. Moreover, Okinawa is about to become a land of anxiety and apprehension as the "keystone" of the Treaty of Mutual Cooperation and Security Between Japan and the United States, which is aimed at bringing peace and security to Japan and the Far East.

When we look at Okinawa in this manner, we see that the path which it has followed up to this day has not been primarily aimed at the welfare of the prefectural people. Our native land, Okinawa, has always been, under varying circumstances, a foil and victim of national power. The prefectural people, who have endured many bitter experiences and difficult tasks in the past, will now be welcoming a great change called "reversion." They must, therefore, rid themselves of the habit of being used by other nations, regain their status with the primary objective aimed at the welfare of the people, and promote great changes to signify the existence of our native land, Okinawa.

It is my sincere hope that the prefectural people, one and all, will give thought to these matters, maintain an intelligent insight concerning the many complicated circumstances surrounding them, and to exercise accurate judgment to insure that they do not err in the course to be taken in the future. On the basis of such consciousness, I am convinced that it is most important, at this stage, that the prefectural people confirm their determination to independently create, materially and morally, a new Okinawa, consider new methods and institutions and give high priority to that effort, and sincerely and actively plan for the establishment of a new Okinawa.

Actually, as they confront this historic change in Okinawa, which they are experiencing for the first time, the prefectural people do entertain much apprehension and concern. However, this feeling is, in the final analysis, no more than labor pains in the birth of a new Okinawa, and I ask our prefectural people to make up their minds to endure these

pains as a process which can hardly be avoided. It is not as if you are doing it for someone else. Our people have long endured ill-fortune and it is for the development and creation of our own road to prosperity that we do so. Furthermore, it is for our children and children's children who will be the recipients of our precious heritage. We must therefore renew our determination and efforts. At the same time, however, we strongly request our national government to carry out an epoch-making plan for the rebuilding and development of Okinawa, establish a program of political and moral responsibilities for the improvement of the people's welfare, and positively carry out these projects, both materially and morally. Such actions should not be considered merely in terms of their economic value but as actions of a modern society in pursuit of a supreme value--the welfare of the prefectural people--something which can hardly be replaced by either money or matter. It is therefore my intention to exert my utmost efforts to materialize these programs and projects for the benefit of our Okinawa.

The second point is to fully understand and appreciate the geographical and natural peculiarities of Okinawa, and thus make use of such qualities to the maximum. As pointed out in the Long-Range Economic Development Program, Okinawa has many merits, which include its advantageous geographic position, natural characteristics, abundant labor, and fine cultural assets. Of course, Okinawa is not without its disadvantages, such as frequent typhoons, geographic division into a number of small islands, and lack of water resources. Nevertheless, programs to overcome such adversities and to fully utilize the overall peculiarities of Okinawa through creativeness and imagination must be implemented. Also, full-scale assistance must be received from the homeland government. Through these means, I plan to achieve the socio-economic development of a new Okinawa.

The third point is the creation of man-made assets. Only man can create culture. The construction of a new Okinawa must be preceded by the development of humanity and human capabilities commensurate with the new Okinawa. The quality of Okinawan society depends on the people, who must be imbued with creativeness based on knowledge, culture, and technology, as well as sincerity, a sense of responsibility, and initiative.

This can be achieved only through education. For this, the educational environment must be improved, as I have stated before, and educators must exert their utmost efforts.

To repeat, my basic concepts for the construction of the new Okinawa are: (1) to seek a foundation for the construction of a new Okinawa based on respect for human beings in conformity with the needs of the new era, (2) to fully utilize the natural and geographic characteristics of Okinawa for its construction and development, and (3) to foster man-made qualities and make them the pillars of a new Okinawa.

With this summary, I would like to conclude my message. I again request the understanding and cooperation of the prefectural people, one and all.

OKINAWA REVERSION AGREEMENT

OF JUNE 17, 1971

AND RELATED DOCUMENTS

AGREEMENT BETWEEN JAPAN AND UNITED STATES OF AMERICA
CONCERNING THE RYUKYU ISLANDS AND THE DAITO ISLANDS

Japan and the United States of America,

Noting that the Prime Minister of Japan and the President of the United States of America reviewed together on November 19, 20 and 21, 1969 the status of the Ryukyu Islands and the Daito Islands, referred to as "Okinawa" in the Joint Communique between the Prime Minister and the President issued on November 21, 1969, and agreed that the Government of Japan and the Government of the United States of America should enter immediately into consultations regarding the specific arrangements for accomplishing the early reversion of these islands to Japan;

Noting that the two Governments have conducted such consultations and have reaffirmed that the reversion of these islands to Japan be carried out on the basis of the said Joint Communique;

Considering that the United States of America desires, with respect to the Ryukyu Islands and the Daito Islands, to relinquish in favor of Japan all rights and interests under Article 3 of the Treaty of Peace with Japan signed at the city of San Francisco on September 8, 1951, and thereby to have relinquished all its rights and interests in all territories under the said Article; and

Considering further that Japan is willing to assume full responsibility and authority for the exercise of all powers of administration, legislation and jurisdiction over the territory and inhabitants of the Ryukyu Islands and the Daito Islands;

Therefore, have agreed as follows:

Article I

1. With respect to the Ryukyu Islands and the Daito Islands, as defined in paragraph 2 below, the United States of America relinquishes in favor of Japan all rights and interests under Article 3 of the Treaty of Peace with Japan signed at the city of San Francisco on September 8, 1951, effective as of the date of entry into force of this Agreement. Japan, as of such date, assumes full responsibility and authority for the exercise of all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of the said islands.

2. For the purpose of this Agreement, the term "the Ryukyu Islands and the Daito Islands" means all the territories and their territorial waters with respect to which the right to exercise all and any powers of

administration, legislation and jurisdiction was accorded to the United States of America under Article 3 of the Treaty of Peace with Japan other than those with respect to which such right has already been returned to Japan in accordance with the Agreement Concerning the Amami Islands and the Agreement Concerning Nanpo Shoto and Other Islands signed between Japan and the United States of America, respectively on December 24, 1953 and April 5, 1968.

Article II

It is confirmed that treaties, conventions and other agreements concluded between Japan and the United States of America, including, but without limitation, the Treaty of Mutual Cooperation and Security Between Japan and the United States of America signed at Washington on January 19, 1960 and its related arrangements and the Treaty of Friendship, Commerce and Navigation Between Japan and the United States of America signed at Tokyo on April 2, 1953, become applicable to the Ryukyu Islands and the Daito Islands as of the date of entry into force of this Agreement.

Article III

1. Japan will grant the United States of America on the date of entry into force of this Agreement the use of facilities and areas in the Ryukyu Islands and the Daito Islands in accordance with the Treaty of Mutual Cooperation and Security Between Japan and the United States of America signed at Washington on January 19, 1960 and its related arrangements.

2. In the application of Article IV of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security Between Japan and the United States of America, regarding Facilities and Areas and the Status of United States Armed Forces in Japan signed on January 19, 1960, to the facilities and areas the use of which will be granted in accordance with paragraph 1 above to the United States of America on the date of entry into force of this Agreement, it is understood that the phrase "the condition in which they were at the time they became available to the United States Armed Forces" in paragraph 1 of the said Article IV refers to the condition in which the facilities and areas first came into the use of the United States Armed Forces, and that the term "improvements" in paragraph 2 of the said Article includes those made prior to the date of entry into force of this Agreement.

Article IV

1. Japan waives all claims of Japan and its nationals against the United States of America and its nationals and against the local authorities of the Ryukyu Islands and the Daito Islands, arising from the presence, operations or actions of forces or authorities of the United States of America in these islands, or from the presence,

operations or actions of forces or authorities of the United States of America having had any effect upon these islands, prior to the date of entry into force of this Agreement.

2. The waiver in paragraph 1 above does not, however, include claims of Japanese nationals specifically recognized in the laws of the United States of America or the local laws of these islands applicable during the period of United States administration of these islands. The Government of the United States of America is authorized to maintain its duly empowered officials in the Ryukyu Islands and the Daito Islands in order to deal with and settle such claims on and after the date of entry into force of this Agreement in accordance with the procedures to be established in consultation with the Government of Japan.

3. The Government of the United States of America will make ex gratia contributions for restoration of lands to the nationals of Japan whose lands in the Ryukyu Islands and the Daito Islands were damaged prior to July 1, 1950, while placed under the use of United States authorities, and were released from their use after June 30, 1961 and before the date of entry into force of this Agreement. Such contributions will be made in an equitable manner in relation to the payments made under High Commissioner Ordinance Number 60 of 1967 to claims for damages done prior to July 1, 1950 to the lands released prior to July 1, 1961.

4. Japan recognizes the validity of all acts and omissions done during the period of United States administration of the Ryukyu Islands and the Daito Islands under or in consequence of directives of the United States or local authorities, or authorized by existing law during that period, and will take no action subjecting United States nationals or the residents of these islands to civil or criminal liability arising out of such acts or omissions.

Article V

1. Japan recognizes the validity of, and will continue in full force and effect, final judgments in civil cases rendered by any court in the Ryukyu Islands and the Daito Islands prior to the date of entry into force of this Agreement, provided that such recognition or continuation would not be contrary to public policy.

2. Without in any way adversely affecting the substantive rights and positions of the litigants concerned, Japan will assume jurisdiction over and continue to judgment and execution any civil cases pending as of the date of entry into force of this Agreement in any court in the Ryukyu Islands and the Daito Islands.

3. Without in any way adversely affecting the substantive rights of the accused or suspect concerned, Japan will assume jurisdiction over, and may continue or institute proceedings with respect to, any criminal

cases with which any court in the Ryukyu Islands and the Daito Islands is seized as of the date of entry into force of this Agreement or would have been seized had the proceedings been instituted prior to such date.

4. Japan may continue the execution of any final judgments rendered in criminal cases by any court in the Ryukyu Islands and the Daito Islands.

Article VI

1. The properties of the Ryukyu Electric Power Corporation, the Ryukyu Domestic Water Corporation and the Ryukyu Development Loan Corporation shall be transferred to the Government of Japan on the date of entry into force of this Agreement, and the rights and obligations of the said Corporations shall be assumed by the Government of Japan on that date in conformity with the laws and regulations of Japan.

2. All other properties of the Government of the United States of America, existing in the Ryukyu Islands and the Daito Islands as of the date of entry into force of this Agreement and located outside the facilities and areas provided on that date in accordance with Article III of this Agreement, shall be transferred to the Government of Japan on that date, except for those that are located on the lands returned to the landowners concerned before the date of entry into force of this Agreement and for those the title to which will be retained by the Government of the United States of America after that date with the consent of the Government of Japan.

3. Such lands in the Ryukyu Islands and the Daito Islands reclaimed by the Government of the United States of America and such other reclaimed lands acquired by it in these islands as are held by the Government of the United States of America as of the date of entry into force of this Agreement become the property of the Government of Japan on that date.

4. The United States of America is not obliged to compensate Japan or its nationals for any alteration made prior to the date of entry into force of this Agreement to the lands upon which the properties transferred to the Government of Japan under paragraphs 1 and 2 above are located.

Article VII

Considering, inter alia, that United States assets are being transferred to the Government of Japan under Article VI of this Agreement, that the Government of the United States of America is carrying out the return of the Ryukyu Islands and the Daito Islands to Japan in a manner consistent with the policy of the Government of Japan as specified in paragraph 8 of the Joint Communique of November 21, 1969, and that the

Government of the United States of America will bear extra costs, particularly in the area of employment after reversion, the Government of Japan will pay to the Government of the United States of America in United States dollars a total amount of three hundred and twenty million United States dollars (U.S. \$320,000,000) over a period of five years from the date of entry into force of this Agreement. Of the said amount, the Government of Japan will pay one hundred million United States dollars (U.S. \$100,000,000) within one week after the date of entry into force of this Agreement and the remainder in four equal annual installments in June of each calendar year subsequent to the year in which this Agreement enters into force.

Article VIII

The Government of Japan consents to the continued operation by the Government of the United States of America of the Voice of America relay station on Okinawa Island for a period of five years from the date of entry into force of this Agreement in accordance with the arrangements to be concluded between the two Governments. The two Governments shall enter into consultation two years after the date of entry into force of this Agreement on future operation of the Voice of America on Okinawa Island.

Article IX

This Agreement shall be ratified and the instruments of ratification shall be exchanged at Tokyo. This Agreement shall enter into force two months after the date of exchange of the instruments of ratification.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Tokyo and Washington, this seventeenth day of June, 1971, in duplicate in the Japanese and English languages, both equally authentic.

For Japan:

For the United States of America:

Kiichi Aichi

William P. Rogers

AGREED MINUTES

The representatives of the Government of Japan and of the Government of the United States of America wish to record the following understanding reached during the negotiations for the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands, signed today:

Regarding Article I:

The territories defined in paragraph 2 of Article I are the territories under the administration of the United States of America under Article 3 of the Treaty of Peace with Japan, and are, as designated under Civil Administration Proclamation Number 27 of December 25, 1953, all of those islands, islets, atolls and rocks situated in an area bounded by the straight lines connecting the following coordinates in the listed order:

<u>NORTH LATITUDE</u>	<u>EAST LONGITUDE</u>
28 degrees	124 degrees 40 minutes
24 degrees	122 degrees
24 degrees	133 degrees
27 degrees	131 degrees 50 minutes
27 degrees	128 degrees 18 minutes
28 degrees	128 degrees 18 minutes
28 degrees	124 degrees 40 minutes

Regarding Article IV:

1. The claims of Japanese nationals including the municipalities of the Ryukyu Islands and the Daito Islands which the Government of the United States of America will deal with and settle pursuant to paragraph 2 of Article IV include the following:

(1) Claims arising from damages done to land and those relating to Declarations of Taking the settlement for which is provided for in High Commissioner Ordinance Number 20 on Acquisition of Leasehold Interest;

(2) Claims falling within the competence of the United States Land Tribunal for the Ryukyu Islands established by High Commissioner Ordinance Number 19;

(3) Claims the settlement for which may be sought under the laws of the United States of America respecting foreign claims;

(4) Claims of the employees of the Government of the United States of America or its instrumentalities protected under the laws of the United States of America respecting compensation for work injuries or under High Commissioner Ordinance Number 42 on Workmen's Compensation Benefits;

(5) Claims of the employees of the Government of the United States of America or its instrumentalities relating to remuneration and other benefits; and

(6) Others.

2. The procedures to be established under paragraph 2 of Article IV will also provide for a suitable arrangement for the ex gratia contributions to be made under paragraph 3 of Article IV as well as for that through which the Government of the United States of America or its instrumentalities will complete the payments of their debts owed to Japanese nationals including the municipalities of the Ryukyu Islands and the Daito Islands outstanding on the date of entry into force of the Agreement.

3. The Government of the United States of America will, in consultation with the Government of Japan, take necessary measures to secure sufficient public knowledge and easy availability of the procedures.

Regarding Article V:

1. The words "final judgments" referred to in paragraph 1 of Article V include final decrees and orders.

2. The words "any court in the Ryukyu Islands and the Daito Islands" mean the courts of the Government of the Ryukyu Islands and of the United States Civil Administration of the Ryukyu Islands.

3. The military authorities of the United States will exercise criminal jurisdiction over the members of the United States Armed Forces with respect to offenses committed in the Ryukyu Islands and the Daito Islands prior to the date of entry into force of the Agreement in accordance with relevant provisions of Article XVII of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security Between Japan and the United States of America, regarding Facilities and Areas and the Status of United States Armed Forces in Japan signed on January 19, 1960; and Japan will not exercise criminal jurisdiction over such cases.

Regarding Article VI:

1. The United States Armed Forces in the Ryukyu Islands and the Daito Islands will be entitled to the use of public utilities and services only under conditions comparable to those presently enjoyed by

such forces in mainland Japan in accordance with the relevant provisions of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security Between Japan and the United States of America, regarding Facilities and Areas and the Status of United States Armed Forces in Japan signed on January 19, 1960.

2. The properties of the Government of the United States of America to be transferred to the Government of Japan under paragraph 2 of Article VI include:

(1) Naha Airport Facilities including the Miwa nondirectional beacon;

(2) Administrative structures including:

(a) Justice Building at Naha;

(b) English Language Center at Naha;

(c) Naha, Nago, Ishikawa, Miyako and Yaeyama Cultural Centers;

(d) The Government of the Ryukyu Islands Executive Building at Naha;

(e) Yaeyama Civil Administration Headquarters; and

(f) Miyako Civil Administration Headquarters;

(3) Road structures including traffic lights, road signs, bridges and other fixtures of the following routes:

<u>Route</u>	<u>Approximate Length</u>
1	66 km;
5	13 km;
6	7 km;
7	9 km;
8	10 km;
13	62 km;
16	8 km;
24	13 km;
44	12 km; and
Others	

(4) Air navigation facilities related to airports:

(a) Nondirectional beacons on Minamidaito Jima, Kume Jima, Ishigaki Jima and Yonaguni Jima;

(b) Air-ground communication facilities and interislands communications - navigation system on the above islands and Miyako Jima;

(5) Navigation aids:

(a) Short range aids to navigation;

14 light structures, 17 lighted buoys, 2 sets of channels range lights and others; and

(b) LORAN-A transmitting station on Miyako Jima;

(6) Installations at Naha Wheel Area and on those parts of the areas at Naha Air Force/Navy Annex and Tokashiki Army Annex to be released for use by the Government of Japan.

3. The properties the title to which will be retained by the Government of the United States of America include the housing for State Department personnel at Hamakawa, Chatan Village.

Regarding Article VII:

With respect to computation and payment of the separation payments to be made to the Japanese employees of the United States Armed Forces in the Ryukyu Islands and the Daito Islands (including nonappropriated fund organizations) after reversion, the Government of the United States of America will pay the amount computed for the entire employment periods of such employees beginning from April 30, 1952, including their pre-reversion employment periods, applying the computation formula provided for in the Master Labor Contract, the Mariner Contract and the Indirect Hire Agreement in mainland Japan.

Regarding Article VIII:

In case of relocation of the Voice of America outside Japan and in the event it would be found that a substitute facility will not be completed within the five-year period referred to in Article VIII due to unforeseen circumstances, the Government of Japan is prepared to give full recognition to the need for continued operation of the Voice of America on Okinawa Island after the said five-year period until completion of the substitute facility.

Tokyo, June 17, 1971

Kiichi Aichi

Armin H. Meyer

MEMORANDUM OF UNDERSTANDING

The attached represent the results of discussions held between the representatives of the Government of Japan and of the Government of the United States of America concerning Article III of the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands signed today.

Tokyo, June 17, 1971

Minister for Foreign Affairs
of Japan

Ambassador Extraordinary
and Plenipotentiary of
the United States of
America to Japan

LIST A

The following are the installations and sites which the Government of Japan and the Government of the United States of America are prepared, unless otherwise agreed between them, to agree in the Joint Committee, within their present boundaries, or as indicated in the remarks, as facilities and areas pursuant to Article II of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security Between Japan and the United States of America, regarding Facilities and Areas and the Status of United States Armed Forces in Japan signed on January 19, 1960 (hereinafter referred to as the "SOFA") for the use by the United States Armed Forces as from the date of reversion. The agreements in the Joint Committee will be concluded on the day of entry into force of the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands, and every effort will be made to complete the preparatory works well in advance of that day.

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
1.	Northern Training Area	Marine Northern Training Area	
2.	Aha Training Area	Aha Training Area	SOFA II 4(b) use
3.	Kawata Training Area	Kawata Training Area	SOFA II 4(b) use
4.	Okuma Rest Center	Okuma Rest Center	
5.	Ie-Shima Auxiliary Airfield	Ie-Shima Auxiliary Airfield	
6.	Yaetake Communication Site	Yaetake Communications Site	
7.	Gesashi Communication Site	LORAN-A/C Transmitting Station, Gesashi	
8.	Sedake Training Area	Sedake Training Area No. 1	SOFA II 4(b) use
9.	Camp Schwab	Camp Schwab	
		Camp Schwab Training Area	Cf. List C.
		LST Ramp Camp Schwab	

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
10 .	Henoko Ordnance Ammunition Depot	Henoko Ordnance Ammunition Depot Henoko Navy Ammuni- tion Storage Facilities	
11 .	Camp Hansen	Camp Hansen Camp Hansen Training Area	Cf. List C. Cf. List C.
12 .	Kushi Training Area	Kushi Training Area	SOFA II 4(b) use
13 .	Onna Communication Site	Onna Point Communi- cations Annex	
14 .	Camp Hardy	Camp H. F. Hardy	
15 .	Onna Site	Onna Point Army Annex	Cf. List B.
16 .	Yaka Training Area	Yaka Training Area	SOFA II 4(b) use
17 .	Gimbaru Training Area	Gimbaru Training Area Kadena Site No. 3	
18 .	Yaka Rest Center	Yaka Rest Center	
19 .	Kin Red Beach Training Area	Kin Red Beach Training Area	
20 .	Kin Blue Beach Training Area	Kin Blue Beach Training Area	
21 .	Bolo Point Train- fire Range	Bolo Point Train- fire Range Kadena Site No. 1 Bolo Point Army Annex Yomitan Army Annex No. 1	
22 .	Kadena Ammunition Storage Area	Kadena Ammunition Storage Area	

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
		Site Hizagawa	
		Hanza Ammunition Storage Annex	
		Joint Ordnance Explo- sive Demolition Area, Yomitan	
		Army CSG Ammunition Storage Annex	
		Chibana Ordnance Ammunition Depot	
		Kadena VORTAC Site	
		Kadena TACAN Site	
		Higashionna Ammuni- tion Storage Annex	Cf. List C.
23.	Chibana Site	Chibana Army Annex	Cf. List B.
		Kina Radio Relay Annex	
24.	Ishikawa Army Annex	Ishikawa Army Annex	
25.	Yomitan Army Annex	Yomitan Army Annex No. 2	
26.	Sobe Communication Site	Naval Communications Site, Sobe Annex	
		Sobe Direction Finder Site, East	
27.	Yomitan Auxiliary Airfield	Yomitan Auxiliary Airfield	
		Site Nakano	
28.	Tengan Pier	Tengan Pier	
29.	Camp Courtney	Camp Courtney	Cf. List C.
30.	Tengan Communica- tion Site	Starcom Transmitter Site, Tengan	

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
31.	Camp McTureous	Camp McTureous	
32.	Camp Shields	Camp Shields	Cf. List C.
33.	Camp Hauge	Camp Hauge	Cf. List C.
34.	Deragawa Communi- cation Site	Deragawa Transmitter Site	
35.	Hanza Army Annex	Site Hanza	
36.	Torii Communication Station	Torii Station, Sobe Starcom Receiver Sta- tion, Sobe	
37.	Kadena Air Base	Kadena Air Base Camp Sansone Army Housing Area	
38.	Kadena Housing Area	Kadena Housing Area	
39.	Sunabe Warehouse	Warehouse Sunabe Air Force Furniture Repair Shop	
40.	Sunabe Army Annex	Site Sunabe	
41.	Kashiji Army Annex	Site Kashiji	
42.	Koza Communication Site	Koza Radio Relay Annex	
43.	Camp Kue	Camp Kue	
44.	Camp Sukiran	Camp Sukiran Camp Foster	
45.	Sukiran Communi- cation Site	Sukiran Propagation Annex (Sukiran Area "C")	
46.	Awase Communication Station	Awase Communications Annex	

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
		Naval Air Facility Transmitter Unit, Awase	
47.	Nishihara Army Annex	Nishihara Army Annex No. 1	
48.	White Beach Area	Naval Port Facility, White Beach	Cf. List C.
		Kachin Hanto Army Area	
		White Beach Tank Farm	
		Kadena Site No. 2	
		Nishihara Army Annex No. 2	Cf. List B.
49.	Awase Storage Area	Awase Ammunition Storage Annex	
50.	Kubasaki School Area	Camp Kubasaki	Cf. List C.
51.	Futenma Air Station	Marine Corps Air Station, Futenma	
		Futenma Army Annex	
		Marine Corps Air Station Communi- cations Annex, Futenma	
52.	Camp Mercy	Camp Mercy (Machinato Area "H")	
53.	Camp Boone	Camp Boone (Machinato Area "J")	
54.	Machinato Warehouse	Okinawa Regional Exchange Dry Storage Warehouse	
55.	Machinato Service Office	Post Services Office	
56.	Machinato Service Area	Machinato Service Area	

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
57.	Machinato Service Area Annex	7th PSYOP Group Warehouse Navy Warehouse, Machinato	
58.	Machinato Purchasing and Contracting Office	Purchasing and Contracting Office	
59.	Urasoe Warehouse	Army STRATCOM Warehouse	
60.	Deputy Division Engineers Office	Deputy Division Engineer, Western Pacific	
61.	Machinato Housing Area	Machinato/Naha Housing Area (Naha Area "H")	Cf. Note to List B.
62.	Naha Cold Storage	Okinawa Regional Exchange Cold Storage	
63.	Harborview Club	Harborview Club	
64.	Naha Port Facilities	Military Port of Naha	
65.	Naha Service Center		
66.	Naha Air Force/Navy Annex	Naha Air Force/Navy Annex	Cf. List C.
67.	Naha Site	Naha Army Annex	Cf. List B.
68.	Chinen Site No. 1	Chinen Army Annex No. 1	Cf. List B.
69.	Chinen Site No. 2	Chinen Army Annex No. 2	Cf. List B.
70.	Shinzato Communication Site	Shinzato Communications Site	
71.	Chinen Service Area	Army CSG Area	
72.	Yozadake Air Station	Yozadake Air Station	Cf. List B and C.

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
73.	Yozadake Site	Yozadake Army Annex No. 1	Cf. List B.
74.	Yozadake Army Annex	Yozadake Army Annex No. 2 (Site "A" and Site "B")	Cf. List B.
75.	South Ammunition Storage Area	South Ammunition Storage Annex	
76.	Army POL Depots	Camp Kue Tank Farm Nos. 1. 2. Chimu-Wan Tank Farm Nos. 1. 2. 3. Tengan Booster Station Camp Kue Booster Station	
77.	Tori Shima Range	Ryukyu Air Range	
78.	Irisuna Shima Range	Irisuna Shima Air Range	
79.	Kume Shima Air Station	Kume Shima Air Station	Cf. List B and C.
80.	Kume Shima Range	Kume Shima Bombing Range	
81.	Ukibaru Shima Training Area	Ukibaru Training Area	SOFA II-4(b) use
82.	Tsuken Jima Training Area	Tsuken Jima Training Area	
83.	Mae Shima Training Area	Mae Shima Training Area	SOFA II-4(b) use
84.	Kobi Sho Range	Kobi Sho Gunnery Range	
85.	Sekibi Sho Range	Sekibi Sho Gunnery Range	
86.	Miyako Jima VORTAC Site	Miyako Jima VORTAC Site	Cf. List B.

<u>Number</u>	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
87.	Miyako Jima Air Station	Miyako Jima Air Station	Cf. List B and C.
		Miyako Jima NDB Site	Cf. List B.
88.	Okino Daito Shima Range	Okino Daito Shima Gunnery Range	

- Note 1: With respect to the U.S. POL pipelines connecting the POL depots, the U.S. submarine cable under the territorial waters of Japan connected to Camp Sukiran, and the U.S. telecommunications cables connected to the facilities and areas, the Government of Japan will take measures necessary for the use by the United States Armed Forces under SOFA.
- Note 2: There are certain facilities and areas among those listed above which will require that restricted waters be provided contiguous thereto.
- Note 3: With respect to the Sea Maneuver Areas to be provided in the territorial waters of Japan and those to be agreed upon on the high seas, the two Governments will continue preparatory work.

LIST B

The following are the facilities and areas which will be returned to Japan after reversion as indicated in the remarks.

	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
1.	Onna Site (No. 15)	Onna Point Army Annex	On takeover by the Japan Self-Defense Forces
2.	Chibana Site (portion described under the "Present Nomenclature") (No. 23)	Chibana Army Annex	Same as above
3.	White Beach Area (portion described under the "Present Nomenclature") (No. 48)	Nishihara Army Annex No. 2	Same as above

	<u>Nomenclature</u>	<u>Present Nomenclature</u>	<u>Remarks</u>
4.	Naha Site (No. 67)	Naha Army Annex	On takeover by the Japan Self-Defense Forces
5.	Chinen Site No. 1 (No. 68)	Chinen Army Annex No. 1	Same as above
6.	Chinen Site No. 2 (No. 69)	Chinen Army Annex No. 2	Same as above
7.	Yozadake Air Station (No. 72)	Yozadake Air Station	Same as above
8.	Yozadake Site (No. 73)	Yozadake Army Annex No. 1	Same as above
9.	Yozadake Army Annex (portion described under the "Present Nomenclature") (No. 74)	Yozadake Army Annex No. 2 (Site "A" only)	Same as above
10.	Kume Shima Air Station (No. 79)	Kume Shima Air Station	Same as above
11.	Miyako Jima VORTAC Site (No. 86)	Miyako Jima VORTAC Site	On takeover by the Ministry of Transport
12.	Miyako Jima Air Station (No. 87)	Miyako Jima Air Station	On takeover by the Japan Self-Defense Forces
		Miyako Jima NDB Site	On takeover by the Ministry of Transport

Note: The question of releasing the Machinato Housing Area (No. 61) upon completion of alternative facilities will be a specific subject of further discussion.

LIST C

The installations and sites now used by the Government of the United States of America the whole or part of which will be released on or prior to reversion include the following:

1. Naha Airport
2. Miwa NDB Site
3. Naha Air Force/Navy Annex (Japanese Government use portion)
(No. 66)
4. Naha Tank Farm No. 2 (Yogi Tank Farm)
5. Naha Wheel Area
6. White Beach Area (Japanese Government use portion) (No. 48)
7. Oku Training Area
8. Sedake Training Area No. 2
9. Motobu Quarry
10. Motobu Auxiliary Airfield
11. Ishikawa Beach
12. Tokashiki Army Annex
13. Haneji Army Annex
14. Kadena Site No. 4
15. Site Oki
16. Site Akamichi
17. Site Kuba
18. Army Police Substation, Koza
19. Koza Field Office
20. Protective Shelter, Awase
21. Naha Field Office

22. Sobe Direction Finder Site, West
23. Miyako Jima LORAN-A Transmitting Station
24. Camp Schwab Training Area (approximately 1,043,100 square meters)
(No. 9)
25. Camp Hansen (approximately 390,600 square meters) (No. 11)
26. Camp Hansen Training Area (approximately 177,400 square meters)
(No. 11)
27. Higashionna Ammunition Storage Annex (approximately 947,100 square
meters) (No. 22)
28. Camp Courtney (approximately 396,200 square meters) (No. 29)
29. Camp Shields (approximately 603,000 square meters) (No. 32)
30. Camp Hauge (approximately 53,600 square meters) (No. 33)
31. Camp Kubasaki (approximately 64,700 square meters (No. 50)
32. Yozadake Air Station (approximately 72,600 square meters) (No. 72)
33. Kume Shima Air Station (approximately 44,500 square meters)
(No. 79)
34. Miyako Jima Air Station (approximately 97,700 square meters)
(No. 87)

Note: There are also other installations and sites to be released by virtue of Article VI of the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands.

ARRANGEMENT CONCERNING ASSUMPTION BY JAPAN OF THE
RESPONSIBILITY FOR THE IMMEDIATE DEFENSE
OF OKINAWA

Whereas the representatives of the Japan Defense Agency (JDA) and the U.S. Department of Defense (DOD) have discussed matters relating to necessary coordination between the two defense authorities in connection with the Japanese program for the deployment of its Self-Defense Forces in Okinawa for the immediate defense of Okinawa after the reversion of Okinawa to Japan.

Whereas the results of the above-mentioned discussions, which are set out in this Arrangement, have been approved by the Japan-United States Security Consultative Committee at its meeting of June 29, 1971.

Therefore, these representatives agree as follows:

1. Assumption by Japan of Immediate Defense Responsibility:

Japan will assume, in accordance with the schedule as described in the following paragraph, the mission for the immediate defense of Okinawa, namely, ground defense, air defense, maritime defense patrol and search and rescue to be assigned to JDA.

2. Timing of Japan's Assumption:

Assumption by Japan of the above defense mission will be completed by the earliest practicable date subsequent to the date of the reversion of Okinawa (R-day), but not later than 1 July 1973.

a. Initial Deployment:

Initially and within about 6 months after R-day Japan will deploy the following units of approximately 3,200 personnel.

(1) Ground Self-Defense Force (JGSDF) - A headquarters, two infantry companies, one engineer company, one aviation unit, one supporting unit and others.

(2) Maritime Self-Defense Force (JMSDF) - One base unit, one anti-submarine patrol unit and others.

(3) Air Self-Defense Force (JASDF) - A headquarters, one fighter interceptor unit, one aircraft control and warning unit, one air base unit and others.

b. Additional Deployment:

Additionally, and not later than 1 July 1973, Japan will deploy a NIKE group (3 batteries), a HAWK group (4 batteries) and appropriate supporting troops to carry out the surface-to-air missile defense and to operate the aircraft control and warning system.

3. Installations:

a. JDA intends to station the units at the following installations:

(1) Naha Airport - JASDF fighter interceptor unit and others and JGSDF aviation units. JMSDF anti-submarine patrol unit will also utilize Naha Airport.

(2) Naha Wheel - JGSDF units and such other JSDF units as may be required.

(3) White Beach and Naha Port - JMSDF units. SOFA Article II-4-(a) arrangements as necessary will be worked out for JMSDF's use of piers, staging areas and others.

(4) The facilities and areas in use of NIKE, HAWK and aircraft control and warning units - JSDF surface-to-air missile units and aircraft control and warning units being deployed.

b. The United States will cooperate in the location of JSDF communications receiver and transmitter sites and will consider their accommodation within U.S. facilities and areas where possible.

4. Air Defense:

a. JASDF will:

(1) deploy units to Naha Airport beginning on or about R-day.

(2) assume air defense alert with F-104J aircraft by R-day plus 6 months and,

(3) assume operation of the aircraft control and warning system by 1 July 1973.

b. JASDF NIKE Group and JGSDF HAWK Group will deploy to Okinawa, so as to assume the surface-to-air missile defense mission by 1 July 1973.

c. Operational responsibility for the air defense of Okinawa will be retained by the USAF until JSDF assumes the responsibility by 1 July 1973.

Command, however, of JSDF and U.S. Forces will be exercised through their respective national command channels.

5. Surface-to-Air Missile and Aircraft Control and Warning System:

In the interest of facilitating the early assumption of the air defense of Okinawa, JDA intends to buy and the U.S. Government, through the U.S. DOD, offers to sell, on terms and conditions to be specified separately, the basic aircraft control and warning system and the NIKE and HAWK surface-to-air missile systems to be agreed upon.

6. Ground Defense, Maritime Defense Patrol and Search and Rescue:

JSDF will assume the responsibility for ground defense, maritime defense patrol and search and rescue to be assigned to JDA in Okinawa, as JSDF deployed forces become operational, within 6 months after R-day. JSDF and U.S. Forces representatives will in concert prepare detailed plans for the deployment to Okinawa of forces associated with the foregoing functions.

7. Detailed Implementation Plans:

For the purpose of implementing the aforementioned JSDF's assumption of the defense mission and its deployment program, detailed implementation plans and arrangements for coordination will be worked out between representatives of JDA and U.S. DOD.

Tokyo, 29 June 1971

For JDA:

For DOD:

(Signed)
Takuya Kubo
Chief, Defense Bureau
Japan Defense Agency

(Signed)
Walter L. Curtis, Jr.
Vice Admiral, U.S. Navy
U.S. Senior Military Representative
American Embassy, Tokyo

(EXCHANGE OF NOTES CONCERNING THE VOICE OF AMERICA RELAY STATION)

(JAPANESE NOTE)

I have the honor to refer to Article VIII of the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands signed today and to propose the arrangements referred to in the said Article as follows:

1. The Voice of America relay station (hereinafter referred to as "the relay station") will consist of the following facilities owned by the Government of the United States of America:

- A. Transmitting station at Okuma, Kunigami Village:
 - 14 operational buildings,
 - 14 residence houses,
 - 22 antennas, and
 - auxiliary facilities.
- B. Receiving station at Manzamo, Onna Village:
 - 3 operational buildings,
 - 27 antennas, and
 - auxiliary facilities.
- C. Housing and administrative facilities at Hamakawa, Chatan Village:
 - 9 residence houses,
 - 1 administrative building,
 - 1 operational building,
 - 5 antennas, and
 - auxiliary facilities.

2. The scope of the transmission activities of the relay station shall be as set forth below:

(1) Medium wave broadcasting

- a. Frequency: 1,178 KC
- b. Power: not exceeding 1,000 KW
- c. Transmission hours per day: not exceeding 6 hours.

(2) Short wave broadcasting

- a. Number of Transmitters: not exceeding

100 KW		1
35 KW		2
15 KW		1
5 KW		1

b. Frequency-hours per day: not exceeding 32.5 hours.

c. Number of antennas: not exceeding 6.

(3) Languages used

No languages other than those presently used.

- (4) Matters concerning frequencies and other basic characteristics of emission used by the relay station for broadcasting, radio teletype and communication links other than those listed above will be approved by the competent authorities of the Government of Japan on the basis of the existing characteristics. Any subsequent changes in the characteristics thus approved will be subject to approval of the competent authorities of the Government of Japan. In exceptional cases, the relay station may extend, on an ad hoc basis, its broadcasting hours beyond the limits provided for in (1) c and (2) b above with the approval of the competent authorities of the Government of Japan.

3. The Government of the United States of America will notify the International Frequency Registration Board of frequency assignments, including seasonal high frequency broadcasting schedules, for the relay station in accordance with the Radio Regulations attached to the International Telecommunication Convention. The competent authorities of the Government of the United States of America will inform those of the Government of Japan of the particulars of such notification.

4. The Government of the United States of America will take necessary steps to remove, as quickly as possible, any jamming or interference caused by the relay station to radio stations or radio receiving facilities regulated by the relevant radio laws of Japan.

5. The Government of the United States of America shall be responsible for just and expeditious settlement of all claims against the relay station or its employees arising from or in connection with its activities.

6. Sole responsibility for the programs relayed through the relay station will rest with the Government of the United States of America. The Government of Japan, however, reserves the right to express its views on the said programs as it considers necessary, and the Government of the United States of America will respect the views so expressed.

7. Details for the implementation of these arrangements will be agreed upon as may be necessary between the competent authorities of the two Governments.

I have further the honor to propose that the present Note and Your Excellency's Note in reply confirming the foregoing arrangements on

behalf of the Government of the United States of America shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of entry into force of the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands signed today.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(U.S. NOTE)

Tokyo, June 17, 1971

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"(Japanese Note)"

I have further the honor to confirm the above arrangements on behalf of the Government of the United States of America and agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between the two Governments, which will enter into force on the date of entry into force of the Agreement Between the United States of America and Japan Concerning the Ryukyu Islands and the Daito Islands signed today.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Armin H. Meyer

His Excellency
Kiichi Aichi
Minister for Foreign Affairs
of Japan

(EXCHANGE OF NOTES CONCERNING THE SUBMERSION OF LANDS)

(U.S. NOTE)

Tokyo, June 17, 1971

Excellency,

I have the honor to refer to the Agreement Between the United States of America and Japan Concerning the Ryukyu Islands and the Daito Islands signed today and to confirm the understanding reached between the two Governments that the Government of the United States of America will undertake, in consultation with the Government of Japan, to complete necessary preparations as expeditiously as possible for settlement of the question arising out of the submersion of lands in the military port of Naha through disposition of the lands reclaimed and now held by the Government of the United States of America in these islands to the extent necessary for this purpose.

I should be appreciative if Your Excellency would confirm the foregoing on behalf of your Government.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Armin H. Meyer

His Excellency
Kiichi Aichi
Minister for Foreign Affairs
of Japan

(JAPANESE NOTE)

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"(U.S. Note)"

I have further the honor to confirm the foregoing understanding on behalf of the Government of Japan.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(LETTER FROM FOREIGN MINISTER KIICHI AICHI TO AMBASSADOR ARMIN H. MEYER
ON TREATMENT OF FOREIGN FIRMS AND ENTREPRENEURS ON OKINAWA)

Tokyo, June 17, 1971

Dear Mr. Ambassador:

With reference to paragraph 9 of the Joint Communique between Prime Minister Sato and President Nixon issued on November 21, 1969, and to the recent talks between the representatives of the two Governments concerning the treatment after reversion of foreign nationals and firms in Okinawa, I wish to inform you that the Government of Japan, desirous of treating the matter in a sympathetic manner, has decided on the following policies:

I. Business activities:

1. Each firm will be requested to make application, within a reasonable period of time after the reversion of Okinawa, for validation under the Law Concerning Foreign Investment and, with certain business activities, for license or permit under other laws of Japan. Individual entrepreneurs will not be required to obtain validation under the Law Concerning Foreign Investment.

2. The Government of Japan will promptly accord the said validation, license or permit through the above-mentioned procedure to those firms and individual entrepreneurs which are legitimately engaged in business in Okinawa as of this date, in order to ensure the continuation of their businesses in accordance with presently valid licenses of the Government of the Ryukyu Islands or other authorization, provided that:

(a) the said validation, license or permit will not cover the establishment of a new branch and the removal of their fixed base of business to any other place in Japan outside Okinawa, for which a separate application will be required, and

(b) certain firms will have to make the adjustments requested by the Government of Japan in accordance with the understandings between the Japanese authorities and the firms concerned.

3. Pending the completion of the procedure mentioned in preceding paragraphs, necessary transitional measures will be taken under which the firms concerned will be allowed to continue their business operations in the meantime.

The Honorable
Armin H. Meyer
Ambassador of the
United States of America

4. Subject to the conditions mentioned in paragraph 2 above, these firms and individual entrepreneurs may engage in transactions throughout Japan after reversion in accordance with the relevant laws and regulations of Japan.

II. Private properties:

1. The private properties of foreign individuals and firms in Okinawa, including the ownership and leases of private lands and houses duly acquired, will be respected after reversion under the Japanese laws and regulations as in the case of such properties of foreign individuals and firms in mainland Japan.

2. Those foreign investors desiring assurances that principals of and profits accruing from technical assistance contracts, beneficiary certificates, debentures, claimable assets and stock acquisition not affecting business management be paid in foreign currency should apply after reversion for the validation of such contracts or rights under the Law Concerning Foreign Investment. Such validation will promptly be given.

III. Leasing of state and prefectural lands:

With respect to the leasing of state and prefectural lands in Okinawa, necessary measures will be taken so that such leasing may continue for a period of one year after reversion under the same conditions as in the present. The leasing of such lands for the period to follow will be subject to arrangements to be made between the parties concerned during the said one-year period.

The leasing of state and prefectural lands in Okinawa after reversion will be made under the relevant laws and regulations of Japan, and no discrimination will be made against United States lessees for the reason that they are foreign lessees.

IV. Remittance in foreign currency:

1. With respect to the investment validated under the Law Concerning Foreign Investment, conversion into convertible foreign currency as well as free remittance to foreign countries of principals and profits accruing from the investment are guaranteed under the said law. Remittance of profits or funds generated through liquidation in the case of individual entrepreneurs will automatically be approved upon verification.

2. Foreign residents who hold dollar deposits in an Okinawan bank at the time of reversion may continue, after reversion, to hold dollar accounts or may convert them into yen accounts.

The remittance abroad of such accounts will be governed by the provisions of the Foreign Exchange and Foreign Trade Control Law.

V. Professionals:

The treatment of foreign professionals in Okinawa after reversion will be as follows:

(1) Lawyers

Foreign lawyers who have been continuously practicing in Okinawa since January 1, 1971, will be allowed to practice, as in the present, concerning foreign laws after reversion subject to the approval by the Supreme Court of Japan, provided that each lawyer will maintain his office in Okinawa.

(2) Doctors and dentists

(a) Foreign doctors and dentists licensed under the pertinent laws in Okinawa as of the date of reversion will be allowed, for a considerable length of period, to practice, after reversion, as in the present in Okinawa, and will be qualified to take the National Medical Examination or the Preparatory Examination for the National Medical Examination for doctors or dentists under the relevant laws and regulations of Japan during the said period of time. If necessary, such examination will be given in English, provided that those who will have passed the National Medical Examination in English will be allowed to practice in Okinawa.

(b) Recognizing the necessity of continuation of operations of the Adventist Medical Center in Naha City, doctors or dentists who will come to Okinawa after reversion to practice at the Adventist Medical Center will be qualified to take the National Medical Examination or the Preparatory Examination for the National Medical Examination for doctors or dentists under the relevant laws and regulations of Japan. If necessary, such examination will be given in English, provided that those who will have passed the National Medical Examination in English will be allowed to practice at the said facility.

(3) Veterinarians

Those veterinarians licensed under the pertinent laws in Okinawa will be allowed to practice after reversion in Okinawa.

(4) Certified public accountants

Those certified public accountants who have been legitimately operating in Okinawa, have been certified in a foreign country such as the United States with requirements corresponding to those of Japanese certified public accountants and who possess sufficient knowledge of Japanese laws and regulations concerning accounting, will be allowed to practice upon the approval of their qualifications by the Minister of Finance of Japan and the registry of their names with the Japanese Institute of Certified Public Accountants. Such approval will promptly be given after reversion.

VI. Taxation:

1. The Government of Japan confirms that it has no intention to impose after reversion any retroactive taxation under Japanese tax laws and regulations in respect of activities or property in Okinawa before reversion. This does not mean that the Government of Japan renounces the right to impose taxation in accordance with the provisions of the tax laws in Okinawa (including USCAR Ordinances), which will be deemed as having the validity as Japanese tax laws and regulations, in case where taxation which should have been imposed on activities or property of foreign firms in Okinawa prior to reversion under the tax laws in Okinawa (including USCAR Ordinances) have not been imposed properly in accordance with such laws.

2. (a) With respect to the business losses based upon the filing of Blue Returns, for which a carryover could have been approved under the Corporation Tax Law in Okinawa but has not actually been applied, the Government of Japan will in principle permit a carryover thereof after reversion in accordance with the provisions of the Japanese Corporation Tax Law. The same treatment will be extended with respect to net losses presented in Blue Returns, carryover of deduction of which is permitted under the Income Tax Law in Okinawa.

(b) Paragraph (a) above will be also applied with respect to Enterprise Tax and Local Inhabitants Tax imposed by the local authorities.

VII. Import Quotas:

The Government of Japan, as indicated in the Cabinet decision of November 20, 1970, will give special consideration, where necessary, with respect to the importation of goods into Okinawa on an item-by-item basis, with a view to alleviating any impact which the application of the relevant laws and regulations of Japan may have on the livelihood of residents and the business activities of firms in Okinawa.

With respect to imports of goods under quantitative restrictions, the Government of Japan will, in the light of the above-mentioned decision, grant quotas to individual foreign firms on the basis of the past records of imports of such goods into Okinawa and also take into account the necessity for a reasonable increase of such imports in the light of the market situation and other relevant factors.

In implementing the policies mentioned in the said Cabinet decision and granting such quotas, the Government of Japan will not discriminate against foreign firms.

VIII. Broadcasting:

With respect to the operation of the Far East Broadcasting Company, the Government of Japan will take the necessary measures concerning the

licensing after reversion of radio stations for the Far East Broadcasting Company as follows:

(1) The Government of Japan will permit broadcasting in the Japanese language by the "Zaidan Hojin Kyokuto Hoso" in accordance with the relevant laws and regulations of Japan.

(2) With respect to broadcasting in the English language now conducted by the Far East Broadcasting Company, such operation will be authorized to continue for a period of five years after reversion. The operation will be carried out under the conditions provided for by the relevant laws and regulations of Japan.

Sincerely yours,

(Signed): Kiichi Aichi
Minister for Foreign Affairs

MEMORANDUM OF UNDERSTANDING

With respect to the return of administrative rights over Okinawa to Japan, the representatives of the Government of Japan and the Government of the United States of America have reached the following understandings on the questions of air services to and through Okinawa, in both directions, by the United States airlines and of the amendment to the Schedule attached to the Civil Air Transport Agreement between Japan and the United States of America of August 11, 1952, as amended:

1. The Schedule attached to the Civil Air Transport Agreement, as amended, will be amended in accordance with an exchange of diplomatic notes which enter into force upon the date of reversion of Okinawa to Japan.

2. The United States airlines shall not have the right to carry cabotage traffic between Japan proper and Naha after the date of reversion of Okinawa to Japan.

3. During the five-year period to commence on the date administrative rights over Okinawa are returned to Japan, the value of traffic rights at Naha of the United States airline services described below shall not be taken into account when reviewing the overall balance of benefits under the Civil Air Transport Agreement, as amended.

(A) Northwest Airlines

From the United States via the North Pacific and the Central Pacific to Tokyo, Osaka and Naha and beyond.

(B) Flying Tiger Line

From the United States via the North Pacific to Tokyo, Osaka and Naha and beyond.

(C) Trans World Airlines

From the United States via the Central Pacific to Naha and beyond to Taipei and Hong Kong and beyond.

(D) Continental Airlines/Air Micronesia

From United States points in the Central Pacific, including Guam, via points in Micronesia to Naha. (Other than non-stop services between the points in Hawaii and Naha.)

4. Following the five-year period described in paragraph 3, the overall balance of benefits under the Civil Air Transport Agreement, as

amended, will include the value of the United States traffic rights at Naha. Both Governments will consult prior to the end of this five-year period to determine any necessary modification of the Schedule attached to the Civil Air Transport Agreement, as amended, through the granting of such additional traffic rights to the Government of Japan as are warranted by the overall balance of benefits at the end of the five-year period including the value of the United States traffic rights at Naha.

Tokyo, June 17, 1971

Bunroku Yoshino
Director General
American Affairs Bureau,
Ministry of Foreign Affairs

Richard L. Sneider
Minister,
Embassy of the United
States of America

STATEMENT BY PRESIDENT RICHARD M. NIXON
ON THE OCCASION OF THE OKINAWA
REVERSION AGREEMENT SIGNING
JUNE 17, 1971

When Prime Minister Sato visited Washington in November 1969, he and I agreed that our Governments would consult together on arrangements leading to the reversion of Okinawa to Japan in 1972. The Agreement signed today marks the conclusion of those negotiations. Because of the importance of this Agreement, it will be submitted to the Senate for its advice and consent. I will urge the Senate to give its advice and consent.

The friendship and mutual respect which enabled our negotiators to resolve the many difficult issues will, I am sure, enable us to work together in peace for the continued progress of our own two countries, and for that of the entire world.

My best wishes to the people of Japan and to their leaders. We both have much to be proud of on this day.

ADDRESS BY PRIME MINISTER SATO
AT THE SIGNING CEREMONY

June 17, 1971

Secretary Rogers, Ambassador Meyer
and Distinguished Participants,

I am indeed happy beyond words to express my congratulations on the signing of this historic Agreement on the reversion of Okinawa.

President Nixon showed the highest degree of statesmanship when he made the decisions embodied in our Joint Communique of November 1969. Since then the negotiators on both sides have hammered out an agreement which is mutually satisfactory to both Governments. It is my sincere wish that the legislative branches of both Governments will give the necessary support to the Agreement and make possible its ratification, thus opening the way for reversion which I hope will take place at the earliest opportunity in 1972.

This document will not only place the relationship of mutual trust and amity between the two countries on a much firmer and more solid basis than at any time in the past; it will mark the birth of a new era where Japan and the United States will cooperate in order to contribute to the peace and prosperity of the Asian-Pacific region and hence to the entire world. This, I believe, is the historic significance of the Agreement signed today.

In recent years, economic interflow between our two countries has developed at a pace unprecedented in the annals of history, giving rise at times to problems needing adjustment. However, this is a process symbolizing the dynamism of such relationship. I am entirely confident that with the spirit of mutual accommodation, the problems currently facing us will be solved, as will all problems succeeding them.

I wish to pay sincere tribute to the generosity and humanism shown by President Nixon and the American people in the reversion of Okinawa and pray for the prosperity of the United States of America.

To the people of Okinawa, I wish to say: you have indeed waited for a long time and the day when we will welcome you to the motherland is fast approaching.

Let us now strive to build tomorrow's Okinawa Prefecture hand in hand with the people of mainland Japan.

Thank you.

STATEMENT BY SECRETARY WILLIAM P. ROGERS
ON THE OCCASION OF THE OKINAWA REVERSION
AGREEMENT SIGNING, JUNE 17, 1971

Mr. Prime Minister, Mr. Foreign Minister, Mr. Ambassador, Ladies and Gentlemen,

It is my privilege today to speak both to you and to the Japanese people. We have been brought together across half the world by the Intelsat trans-Pacific satellite to share a proud moment in diplomatic life. Shortly we will affix our signatures to a document which attests to the wisdom and high statesmanship of each of our nations. Through the miracle of modern space technology we will do this in full view of the 300 million people we represent. This is a historic occasion, not so much for how it is being done but for what is being done. The United States, by the act which we are about to perform, agrees to return to Japan full administrative control over Okinawa.

Of course, the signing today is not the end of the road. The arrangements which our negotiators have worked out - as President Nixon and Prime Minister Sato noted in November 1969 - are subject to the approval of our respective legislative bodies. However, I am confident that the American people, through their elected representatives, will agree on the wisdom of this decision.

I would like to add two personal comments. First, although Prime Ministers and Presidents make the large decisions, the success or failure of those decisions often depends on the ability of their representatives to give form and substance to them. I think both the Japanese people and the American people owe a profound debt of gratitude to the negotiators who worked so long and hard to shape this Agreement - an agreement which will serve the national interests of each of our countries well. Their achievement demonstrates that through intelligence, good will and courage Japan and the United States can develop sound solutions to the common problems we face; that together we will continue to contribute to the maintenance of peace and prosperity in the Pacific.

For the United States the signing today has a significance over and beyond the actual reversion. We Americans have tried to exercise our stewardship over these islands and their people for the past quarter of a century conscientiously and constructively. We take pride in that stewardship. However, we take even greater pride in carrying out our pledged word to the people of Okinawa and to the people of Japan.

May I speak to our friends in Okinawa for a moment. Today's Agreement signals the next-to-the-last step leading to your reunification

with Japan. We share your anticipation of that day. We are grateful for the friendship and cooperation which have marked our relations throughout these last 26 years, and which we sincerely hope will continue in the years ahead.

Finally, let me say a word to the people of Japan on behalf of the people of the United States. We salute our friends in Japan today. We wish you well on this historic day--a day of great happiness to you and one of great satisfaction for us.

Thank you.

STATEMENT BY FOREIGN MINISTER AICHI
AT THE SIGNING CEREMONY

June 17, 1971

I would like to say a few words on the occasion of the signing of the Agreement Between Japan and the United States of America on the Ryukyu Islands and the Daito Islands.

Since the issuance of the historic Joint Communique between Prime Minister Sato and President Nixon in November 1969, steady efforts made over a year and a half by the negotiators of the two Governments to draft the reversion agreement have culminated in final agreement being reached between Secretary Rogers and myself in Paris on June 9th. On that occasion, I promised Secretary Rogers that I would be meeting with him again over television. It gives me great pleasure to fulfill this promise by taking part in the unprecedented simultaneous signing of this agreement through the relay satellite. I am confident that this event will respond to the fervent wish of the one million inhabitants of Okinawa and of the entire Japanese people and that it will place the relations of friendship and amity between Japan and the United States of America on a firm and lasting foundation. It is my earnest hope that the present agreement will come into effect at the earliest possible date and thus pave the way for the return of Okinawa to the motherland.

STATEMENT BY AMBASSADOR ARMIN H. MEYER
ON THE OCCASION OF THE OKINAWA
REVERSION AGREEMENT SIGNING
JUNE 17, 1971

1. Today is a major landmark in U.S.-Japan relations. President Nixon and Prime Minister Sato in their Joint Communique of November 1969 agreed that consultations would begin, designed to effect the smooth transfer to Japan of administrative rights over Okinawa. The Joint Communique provided that negotiations would be carried out with a view to accomplishing reversion during 1972 subject to the conclusion of specific arrangements and with the necessary legislative support. With the signing of the Reversion Agreement today, understandings on specific arrangements have now been concluded, and we enter the period of legislative consideration with every expectation that the reversion will occur in 1972.

2. Our two Governments have agreed through peaceful negotiations to return Okinawa which was acquired as a result of hostilities and administered by the U.S. for a quarter of a century. This is a historic act.

3. During the period of U.S. administration, the United States has devoted significant efforts to promote the welfare of the people of Okinawa. Much progress was made. Throughout the negotiations just concluded, the wishes of the people of Okinawa have been taken into account.

4. The Joint Communique and this Agreement make clear that the U.S. fully recognizes the Japanese Government's policy and the sentiments of the Japanese people with regard to nuclear weapons. The return of Okinawa will be on a completely homeland level. The U.S.-Japan Security Treaty and the Status of Forces Agreement with related arrangements will apply to Okinawa exactly as in Japan after reversion.

5. The United States has decided that some U.S. military facilities in Okinawa can be released very soon, and others as of the date of reversion or shortly thereafter. As has been true in Japan, the United States will keep under continual review its needs for facilities and areas used by the U.S. Armed Forces in Okinawa after reversion, and will return to Japan those no longer needed for the purposes of our U.S.-Japan Security Treaty.

6. Consonant with the application of the Status of Forces Agreement to Okinawa upon reversion and the absence therein of any provision that would authorize the training of third country nationals in Japan, the U.S. Government will remove the U.S. Army Pacific Intelligence

School from Okinawa. U.S. Forces in Okinawa will operate in full accordance with the terms of the SOFA as applied to Japan.

7. The purpose of maintaining an effective U.S. military mission in Okinawa is to assist in assuring the security of the Far East, including Japan. Thus, the U.S. base structure in Okinawa will be kept at a level appropriate to fulfill commitments envisaged in the U.S.-Japan Security Treaty. Japan, of course, will assume responsibility for the defenses of Okinawa itself.

8. Today the people of Okinawa, Japan and America can all be proud. Our common hope is for peace in this region and in the world. To this end, the step we have taken today is a significant contribution and we shall be able to progress toward that goal of peace in closer harmony.

STATEMENT BY THE PRIME MINISTER ON THE SIGNING
OF THE AGREEMENT ON THE RYUKYU ISLANDS
AND THE DAITO ISLANDS BETWEEN JAPAN
AND THE UNITED STATES

June 17, 1971

I am indeed gratified that the Agreement on the reversion of Okinawa, so long awaited for by our people has been signed between the Governments of Japan and the United States.

I am deeply moved when I consider how the people of Okinawa must feel about this great event, and I wish to commend the wisdom of the peoples of our two countries which has brought about this great accomplishment.

On the reversion of Okinawa which had remained for many years as an important issue pending between Japan and the United States, fundamental agreement was reached in the Joint Communique issued in the fall of 1969 which called for the reversion of Okinawa during 1972, free of nuclear weapons on the same level as mainland Japan. Since then every effort was made by both Governments to implement this Agreement, as a result of which, pending the coming into force of the present Agreement, the path has been set for the return of this territory to the motherland.

The Reversion Agreement, I believe, is the starting point of the new Okinawa Prefecture.

The Government has already embarked upon preparations to institute numerous domestic measures to promote the economy of Okinawa and to secure the welfare of its people. It is our intention to do our utmost, pending ratification procedures for the Agreement and deliberations in the Diet, to implement these measures without delay in the making of a prosperous Okinawa Prefecture. With respect to the problem of claims of the people of Okinawa vis-a-vis the United States, we intend to take, after reversion, appropriate domestic measures.

I had once stated that "the postwar period will not have ended for Japan so long as Okinawa had not been returned to the motherland."

I am confident that the time has now arrived when, with the signing of the Reversion Agreement, Japan can truly be said to have emerged from the postwar period and is ready to move forward to face the new era of the 1970's, particularly the new Pacific Age.

When I consider the future of our country in the face of these new challenges, I feel bound to renew my resolve to do my utmost in seeking solutions to the problems of our people both at home and abroad, and it is in this connection that I call upon my people for their understanding and cooperation.

STATEMENT BY FOREIGN MINISTER AICHI
AFTER SIGNING OF RELATED DOCUMENTS

June 17, 1971

The signing of all the documents relating to the reversion of Okinawa has just been completed.

I would like to take this occasion to express my heartfelt appreciation to Ambassador Meyer for his untiring endeavors in the negotiations on reversion since his assumption of office two years ago and to Minister Sneider, as well as to Under Secretary Johnson and other officials concerned in Washington for all their efforts in bringing these negotiations to a successful conclusion.

TEXT OF STATEMENT BY HIGH COMMISSIONER JAMES B. LAMPERT
ON THE OCCASION OF THE SIGNING OF THE OKINAWA REVERSION
AGREEMENT BETWEEN THE UNITED STATES AND JAPAN
IN WASHINGTON AND TOKYO, JUNE 17, 1971

The signing of the Reversion Agreement between the United States and Japan is an event of historic importance. In setting forth the basic arrangements required to accomplish the return of U.S. administrative authority to Japan, this agreement will make it possible, following necessary approval by the legislatures of Japan and the United States, and other appropriate arrangements, for the Okinawan people to achieve the long-sought goal of reversion.

This agreement represents the culmination of many months of negotiations during which every possible consideration has been given to the needs and desires of the Okinawan people. The Preparatory Commission has played a valuable role through its deliberations and by bringing to the attention of the two Governments the views expressed by Chief Executive Yara and other representatives of Okinawa.

Reversion will usher in a new era in United States relations with the people of Okinawa. In addition to the return of administrative authority to Japan, the Treaty of Mutual Cooperation and Security Between Japan and the United States and its related arrangements will apply to Okinawa without modification. U.S. Forces in Okinawa will have the same status as the U.S. Forces stationed in mainland Japan.

With the signing of the Reversion Agreement, the foundation has now been laid for reversion to take place in a manner which will both preserve the bonds of friendship and cooperation existing between the United States and Japan and promote the livelihood and well-being of the Okinawan people.

Much remains to be done between now and reversion. As High Commissioner and U.S. Representative on the Preparatory Commission, I pledge the full support and cooperation of U.S. authorities on Okinawa as we all move forward with the remaining tasks of preparation for reversion.

APPENDIX III

VISITORS TO THE RYUKYU ISLANDS

VISITORS TO THE RYUKYU ISLANDS
OF SIGNIFICANCE TO THE CIVIL ADMINISTRATION
1 July 1970 - 30 June 1971

The following list, not all-inclusive, is arranged in order of arrival of visitors:

	<u>Date of Arrival</u>
Ichiro Nakayama, Chairman, Japan Light Metal Smelters Association, and members of the Japanese aluminum industry survey team	1 Jul 70
Dietman Ichiro Watanabe, Komei-To	7 Jul 70
Gen. William C. Westmoreland, Army Chief of Staff	9 Jul 70
Dietman Kanichi Tsuji, Chairman, National Organization Committee, Japan Liberal Democratic Party (JLDP)	12 Jul 70
M. van Gessel, Deputy Director, Bureau of International Commerce, Department of Commerce	16 Jul 70
Kazuo Chiba, Chief, North America Division, American Affairs Bureau, Foreign Ministry, Government of Japan (GOJ)	17 Jul 70 and 1 May 71
Dietman Ryosaku Sasaki, Secretary General, Japan Democratic Socialist Party (JDSP)	18 Jul 70
Dr. Leonce R. Verstuyft, World Health Organization (WHO) Representative, Taiwan Office	19 Jul 70
Kokichi Yamano, Director General, Okinawa-Northern Territories Agency (ONTA)	20 Jul 70 and 28 Sep 70
Tetsuro Minato, Deputy Director General, Prime Minister's Office	20 Jul 70 and 22 Jun 70
Gen. Leonard F. Chapman, Commandant, U.S. Marine Corps	22 Jul 70 and 18 Jan 70
Dietman Yoshitaka Goto and members of the Legal Affairs Division, Policy Research Council, JLDP	22 Jul 70
Ryokichi Minobe, Governor of Tokyo	29 Jul 70

	<u>Date of Arrival</u>
Dietman Takeo Miki, JLDP, former Foreign Minister of Japan	30 Jul 70
Mrs. Ines Picazo-Gatmaitan, Director, Government of the Philippines Public School Feeding Program	2 Aug 70
Ichio Asukada, Mayor of Yokohama City	3 Aug 70
Robert J. Myers, former Chief Actuary, Social Security Administration	4 Aug 70
Nobuhiko Ushiba, Japanese Ambassador to the United States	6 Aug 70
Dietman Hachiro Nishida and members of the JDSP Youth Mission	16 Aug 70
R. Michael Pearce, Assistant to the President, University of Hawaii	18 Aug 70
Dietman Zenmei Matsumoto, Japan Communist Party (JCP), and members of the JCP mission	21 Aug 70
W. R. Wrenn, Director, Overseas Business, Aluminum Company of America	22 Aug 70
Victor Riesel, Publishers-Hall Syndicate Columnist	23 Aug 70
David H. Ward, Deputy Under Secretary of the Army (Inter- national Affairs); Edward O. Freimuth, Special Assistant to the Deputy Under Secretary of the Army	24 Aug 70
Dietman Tokuji Tokonami, Chairman, JLDP Okinawa Election Measures Headquarters	28 Aug 70 23 Oct 70 1 Nov 70 20 Feb 71 and 21 Jun 71
Masakatsu Nohara, Labor Minister; Ichitaro Ide, Posts and Telecommunications Minister, GOJ	29 Aug 70
Dietman Tomomi Narita, Chairman, Japan Socialist Party (JSP)	4 Sep 70
Mitsuo Sato and officials of the GOJ Construction Ministry and representatives of Japanese shipbuilding companies	7 Sep 70
Robert F. Kanze, Managing Director, AMPEX Ferrotic Ltd., Hong Kong	8 Sep 70
Brig. Gen. Lewis E. Maness, U.S. Army, Pacific (USARPAC)	14 Sep 70

	<u>Date of Arrival</u>
Mrs. Urbana Aguila, U.S. Agency for International Development (USAID), Manila	16 Sep 70
Charles F. Mullaly, Director of Civilian Personnel, Department of the Army	16 Sep 70
Henry Bradsher, Washington Evening Star Correspondent	17 Sep 70
Michita Sakata, Education Minister, GOJ	17 Sep 70
Dietmen Yoshiyuki Asai; Ichiro Watanabe; Kiyoshi Nishinaka-- Komei-To	21 Sep 70
Gen. Ralph E. Haines, Commanding General, USARPAC	24 Sep 70
Makoto Ichikawa, Chairman, Sohyo (General Council of Japan Trade Unions)	25 Sep 70 and 27 Oct 70
Sadatoshi Egami, Chief, Documents Section, Posts and Telecommunications Minister's Secretariat, and members of the postal services survey team	28 Sep 70
Takashi Morioka, Chief, Finance Section, Autonomy Ministry, and members of the GOJ Finance and Autonomy Ministries survey team	28 Sep 70
Dr. William A. Reinke, Professor of Biostatistics, John Hopkins University School of Public Health; Doris Bloch, Nursing Specialist, Bureau of Maternal and Child Health, California State Department of Public Health	5 Oct 70
Yasuhiro Nakasone, Director General, Japan Defense Agency; Motoo Shishido, Director, Defense Bureau, GOJ	7 Oct 70
Kiichi Aichi, Foreign Minister, GOJ	11 Oct 70 and 22 Jun 70
Tadao Kusumi and members of the Security Treaty Problems Study Committee	12 Oct 70
Dr. Donald E. Shipley, Physiotherapist, U.S. Public Health Service Hospital, Carville, Louisiana	12 Oct 70
Dietman Tetsuzo Fuwa, Secretary General, JCP	20 Oct 70 and 12 Nov 70

	<u>Date of Arrival</u>
Masao Anzai, Board Chairman, Showa Electric Company, and members of the Japanese economic delegation	22 Oct 70 and 28 Mar 71
Dietmen Saburo Eda, Secretary General; Yoshinori Yasui, Director, Local Affairs; Isamu Akamatsu--JSP	22 Oct 70
Tadao Kuraishi, Agriculture and Forestry Minister, GOJ	23 Oct 70
Dietman Junya Yano, Secretary General, Komei-To	23 Oct 70
Rokuro Ishizaka and representatives of the Boei Konwakai (Defense Society)	4 Nov 70
Hiromichi Tanabe, Chief, Adjustment Division; Kenji Kudeken, Councillor--ONTA	5 Nov 70 and 26 Feb 71
Gen. Lewis W. Walt, Assistant Commandant, U.S. Marine Corps	5 Nov 70
Dietman Seiichi Katsumata, JSP	6 Nov 70
Dietman Sanzo Nosaka, Chairman, JCP	6 Nov 70
Dietmen Tomomi Narita, Chairman; Masashi Ishibashi, Director, International Affairs Bureau--JSP	10 Nov 70
Juan L. Cabrera, Francisco M. Diaz, Ricardo R. Duenas, Julian S. Calvo, Luis M. Limes, Luis S. Camacho--members of the Marianas economic survey mission	10 Nov 70
Dietmen Yoshikatsu Takeiri, Chairman; Ichiro Watanabe, Chairman, Okinawan Problem Special Committee; and Diet- woman Tokiko Tada, Director, Women's Division--Komei-To	11 Nov 70
Dietmen Toshio Tsukahara, Chairman, Diet Policy Committee; Chuji Kuno, Vice Chairman, Executive Board; Juichiro Tsukada, Chairman, Okinawa-Northern Territories Special Committee--JLDP	12 Nov 70
Takashi Oka, New York Times Tokyo Correspondent	13 Nov 70
Herbert R. Rainwater, National Commander in Chief, Veterans of Foreign Wars	14 Nov 70
Chich Soo Shin, Attorney General, Republic of Korea	15 Nov 70

	<u>Date of Arrival</u>
Wataru Miyagawa, Chief, Security Division, American Affairs Bureau, Foreign Ministry	16 Nov 70
Chadwick Johnson, Japan-Ryukyus Desk Officer, Bureau of International Commerce, Department of State	19 Nov 70
Gus Constantine, Washington Evening Star Reporter	23 Nov 70
Gen. Hayao Kinugasa, Chairman, Joint Staff Council, Japan Defense Agency	24 Nov 70
Ronald I. Spiers, Director, Bureau of Politico-Military Affairs, Department of State	3 Dec 70
Ichiro Kawate, Vice President, Japan Light Metal Company	10 Dec 70
William D. Miller, Deputy Director for Broadcasting, U.S. Information Agency (USIA)	11 Dec 70
Akira Waki, National Hygiene Research Institute; Saburo Tamura and Toshi Mori, Tokyo University	8 Jan 71
Hiroshi Tanabe, ONTA; Tetsuo Cho, Tokyo University; and members of the GOJ gas removal observation team	8 Jan 71
Hiroshi Osanai, Military Commentator	8 Jan 71 and 11 Jun 71
Dietman Yanosuke Narazaki, JSP	9 Jan 71
Gen. William B. Rosson, Commanding General, USARPAC	12 Jan 71 and 17 May 71
Sadanori Yamanaka, Director General, Prime Minister's Office; Shuichi Okabe, Director General, ONTA	13 Jan 71
Bunroku Yoshino, Director, American Affairs Bureau, Foreign Ministry	15 Jan 71
Dietman Juichiro Tsukada, Chairman, House of Councillors Special Committee on Okinawa-Northern Territories, and seven other committee members	18 Jan 71
Col. Jerome Greenberg, Chief of Preventive Medicine Division, Office of the Surgeon General	30 Jan 71

	<u>Date of Arrival</u>
Alan Carter, Minister-Counselor, Public Affairs, American Embassy, Tokyo	3 Feb 71
Keizo Nabeshima, Political News Desk, Kyodo News Service	7 Feb 71
Susumu Hadami and members of the GOJ Maritime Safety Agency survey team	15 Feb 71
Masatada Tachibana, Deputy Director, American Affairs Bureau, Foreign Ministry	15 Feb 71
J. F. Turner, 1st Commercial Secretary, New Zealand Embassy, Tokyo	16 Feb 71
Kenneth R. Giddens, Director, Voice of America	17 Feb 71
Minoru Tsuda, Vice Minister, Justice Ministry	19 Feb 71
Richard Takasaki, Vice President for Business Affairs, University of Hawaii	22 Feb 71
Brig. Gen. James L. Collins, Jr., Chief of Military History, Department of the Army	26 Feb 71
Kazuo Tateishi, Facilities Investigator, General Affairs Bureau, Defense Facilities Administration Agency	1 Mar 71
Kenji Yanagawa, Chief, School Lunch Section, Physical Education Bureau, Education Ministry	1 Mar 71
Yoshiki Jono, General Affairs Section, Plans Bureau, Construction Ministry	1 Mar 71
Dr. Charles James Ross-Smith, Health Education Consultant and Fellowship Coordinator for the Western Pacific, WHO	2 Mar 71
Nobushige Yamagami, former Director General, Defense Facilities Administration Agency	2 Mar 71
Dietman Kiyoshi Ikeda, Chairman, and members of the House of Representatives Special Committee for Okinawa-Northern Territories	6 Mar 71
Herbert Moran, Canadian Ambassador to Japan; Derek Burney, 1st Secretary, Canadian Embassy, Tokyo	8 Mar 71
Philip R. Brown, Associated Press Tokyo Correspondent	8 Mar 71

	<u>Date of Arrival</u>
Hideo Asahina, Deputy Chief, General Affairs Section, Banking Bureau, Finance Ministry; Shozo Ando, Chief, Accounting Section, Bank of Japan	9 Mar 71
Dr. John I. Bruce; Yoshimasa Hishinuma--406th Medical Laboratory, Camp Zama, Japan	13 Mar 71
Dietman Eiichi Tanaka, Chairman, House of Representatives Foreign Affairs Committee, and members of the Diet delegation	13 Mar 71
Miss Satoe Kamimura, Director, Kochi Prefecture School of Public Health Nursing	14 Mar 71
Vice Adm. Maurice F. Wisner, Commander, U.S. 7th Fleet	19 Mar 71
Kanji Takaoka; Tadamatsu Hirabayashi--Coordinating Depart- ment, ONTA	22 Mar 71
Chikatami Uehiro, Counselor; Michiya Sawada, Assistant Counselor--Personnel Bureau, Prime Minister's Office,	22 Mar 71
Kohei Murata, Deputy Chief, Immigration Division, Consular and Immigration Section, Foreign Ministry	23 Mar 71
Yasumasa Narasaki, National Property Division, and members of the Finance Ministry survey team	25 Mar 71
Col. Gakei Yamawaki and members of the Japan Defense Agency survey team	28 Mar 71
Renpei Kuriyama, Deputy Director General, Prime Minister's Office	28 Mar 71
Fumio Endo, Administration Bureau, Ministry of Autonomy	30 Mar 71
Hideyuki Aizawa, Director General, Treasury Bureau, Finance Ministry	7 Apr 71
Dr. Henry Y. Nakasone, Associate Horticulturist; Edward Fukunaga, Director, Kona District Branch Station, Hawaii Agricultural Experiment Station--University of Hawaii	7 Apr 71
Francisco M. Diaz, Chairman, and members of the Marianas Tourist Commission	8 Apr 71
Monta L. Osborne, USIA	8 Apr 71

	<u>Date of Arrival</u>
Keizo Obuchi, Parliamentary Vice Minister, Posts and Telecommunications Ministry	9 Apr 71 and 22 Jun 71
Motoo Goto, Managing Editor, Asahi Shimbun	16 Apr 71
Lt. Gen. William P. Yarborough, Deputy Commanding General, USARPAC	16 Apr 71
Dr. Lawrence F. H. Zane, Associate Professor of Vocational Education and Director of the Junior College Program, University of Hawaii	17 Apr 71
Edward J. McLaughlin, Office of the Deputy Chief of Staff for Military Operations, Department of the Army; Alfred E. Fowler, Regulatory Law Division, Office of the Judge Advocate General, Washington, D. C.	19 Apr 71
Tadashi Obinata, Chief, General Affairs Section, ONTA	20 Apr 71
Joseph A. Yager, Deputy Director, International and Social Studies Division, Institute for Defense Analyses	21 Apr 71
Dietman Itaru Yonehara and members of the JCP survey team	29 Apr 71
Masami Shirayama and members of the Defense Facilities Administration Agency survey team	3 May 71
Lyle V. Springer, Director, American Angus Association; Theodore R. Freeman, Assistant Agricultural Attache, American Embassy, Tokyo	6 May 71
Lt. Gen. (Ret.) Jorna Jarventaus, Helsinki Sanomat Corre- spondent	7 May 71
Dieter Doellken, German Broadcasting Network Tokyo Corre- spondent	9 May 71
Kenzo Tsuchigane, Senior Police Superintendent, National Police Agency, Japan	10 May 71
Robert Smith, Budget Examiner, Office of Management and Budget, Washington, D. C.	10 May 71
Heitaro Adachi, Counselor, ONTA	10 May 71
Col. Shoji Tomizawa, Ground Self-Defense Force	11 May 71

	<u>Date of Arrival</u>
Yoichi Nakanishi, Governor of Ishikawa Prefecture	14 May 71
Edward W. O'Flaherty, Special Assistant to the Director, International Affairs, Office of the Deputy Chief of Staff for Military Operations, Department of the Army	15 May 71
Vice Adm. Tatsuo Tsukudo and members of the Japan Maritime Self-Defense Force Staff College	18 May 71
Yoshio Akiyoshi, Deputy Chief, Personnel Bureau, Prime Minister's Office	19 May 71
Kenichi Ueda, Assistant Political Editor, Mainichi Shimbun	20 May 71
Toru Hagiwara, Ambassador, GOJ Representative to the Japan World Exposition	22 May 71
Masuo Masuda, Welfare Ministry, and members of the GOJ water resources development survey team	24 May 71
Rep. Akira Sakima, Hawaii State Legislature; Mrs. Haruko H. Kaneshiro, Chairman, Hui Makaala Women's Group; Samuel Y. Takushi, Vice President, American Security Bank; and Bruce N. Takamine, President, Hui Hanalike--members of the Hawaii Friendship Mission	26 May 71
Tadashi Takizawa, Chief, Public Health Bureau, Welfare Ministry	27 May 71
Dietman Kiyoshi Mizuno, Chairman, and eight members of the House of Representatives Posts and Telecommunications Committee survey team	28 May 71
Mack Chrysler, U.S. News and World Report Tokyo Correspondent	30 May 71
Sumio Okada, Director, General Affairs Department, ONTA	31 May 71
Masaki Saito, China Division, Asian Affairs Bureau, Foreign Ministry	1 Jun 71
Dr. Haruo Katsunuma, WHO Consultant to the College of Health Sciences, University of the Ryukyus	1 Jun 71
Bert Fraleigh, Regional Food for Peace Officer, USAID, Manila	1 Jun 71
Taketoshi Imamura, Chief, Social Education Bureau, Education Ministry	7 Jun 71

	<u>Date of Arrival</u>
Shunji Otsuka, Administrative Officer, Monopoly Corporation, Minister's Secretariat, Finance Ministry	7 Jun 71
Robert Chancellor, Voice of America Correspondent	7 Jun 71
Kenju Munekata, GOJ Maritime Safety Agency	9 Jun 71
Frank Davis, Executive Director, Pearl Buck Foundation	10 Jun 71
Tokuji Akigusa, Vice President, Japan Telegraph and Telephone Corporation	15 Jun 71
Hamao Toba, Okinawa Reversion Measures Office, Defense Facilities Administration Agency	16 Jun 71
Tadao Nomura, Board Director, Japan Broadcasting Company (NHK)	17 Jun 71
Robert P. Bartell; Lt. Col. Lee C. Herwig--U.S. Army Environmental Health Agency	17 Jun 71
Charles V. P. van Luttichau, Office of the Chief of Military History, Department of the Army	19 Jun 71
Seiryō Umeda, Counselor, GOJ Cabinet Legislative Bureau; Taisuke Biwata, Civil Affairs Bureau, Justice Ministry	21 Jun 71
Reikichi Ogi, Director, Central Labor Standards Office, Labor Ministry	21 Jun 71
Dietmen Naka Funada, Speaker, House of Representatives; Tomio Kanamaru (JLDP); Kichirō Tazawa (JLDP); Yoshio Katsuzawa (JSP); Kanemitsu Tabata (JDSP); Naoki Hirozawa (Komei-To); Kenjun Matsuzawa (JSP)	22 Jun 71
Fumio Araki, Chief, Preparatory Office, Okinawa Branch of the Bank of Japan	28 Jun 71
Manabu Itano, Vice President, International Telegraph and Telephone Company, Japan	29 Jun 71

APPENDIX IV

U. S. CIVIL ADMINISTRATION KEY PERSONNEL CHANGES

KEY PERSONNEL CHANGES OF THE U.S. CIVIL ADMINISTRATION

During the period 1 July 1970 to 30 June 1971, the following key personnel changes occurred on the staff of the U.S. Civil Administration:

<u>Arrivals</u>	<u>Date</u>
Lt. Col. Juji J. Hada, Chief, Miyako Civil Affairs Team	11 Jul 70
Robert E. Kays, Director, Public Affairs Department	29 Jul 70
Gerald M. Bruhnke, Internal Revenue Agent, Comptroller Department	9 Aug 70
Paul Moy, International Relations Officer, Preparatory Commission	18 Oct 70
Alfred D. Ciano, Labor Relations Adviser, Labor Department	15 Nov 70
Lt. Col. Donald C. Buckley, Chief of Administration	15 Nov 70
John O. Roach, Archivist, Administration Office	8 Feb 71
Albert A. Francis, Special Assistant to U.S. Alternate Representative, Preparatory Commission	4 Apr 71
Lt. Col. James C. Wells, Finance Officer, Comptroller Department	14 Apr 71
Lawrence F. Farrar, International Relations Officer, Liaison Department	9 May 71
Lt. Col. Richard B. Haskell, Chief, Yaeyama Civil Affairs Team	6 Jun 71
 <u>Departures</u>	
Lt. Col. Ben Suechika, Chief, Yaeyama Civil Affairs Team	8 Jul 70
Lt. Col. Mitsuo Sakayeda, Chief, Miyako Civil Affairs Team	21 Jul 70
Maj. Anthony F. Vuturo, Preventive Medicine Officer, Health, Education and Welfare Department	23 Jul 70
Omer E. Roller, Sanitary Engineer, Health, Education and Welfare Department	31 Jul 70
John B. Clayton, Systems Accountant, Comptroller Department	16 Aug 70

<u>Departures</u>	<u>Date</u>
Joseph S. Evans, Jr., Director, Public Affairs Department	1 Sep 70
Samuel N. Mukaida, Public Information Officer, Public Affairs Department	13 Sep 70
Maj. Gerald F. Trainer, Administrative Officer, Administration Office	27 Sep 70
Maj. Ram M. Sarda, Special Projects Officer, Comptroller Department	3 Nov 70
Eddie W. Schodt, Alternate U.S. Representative, Preparatory Commission	21 Feb 71
Tadao Kobayashi, Deputy Director, Liaison Department	28 Feb 71
Lt. Col. Woodard B. Hopkins, Jr., Finance Officer, Comptroller Department	14 Apr 71
Col. Frank A. Gregg, Information Coordinator, Office of the High Commissioner	17 May 71
Col. Edward E. Bennett, Deputy Civil Administrator	18 May 71
Lt. Col. Tommy L. Everhart, Utilities Engineering Officer, Public Works Department	25 May 71
Maj. Herbert L. Conner, Chief of Administration	29 May 71
M. J. Larsen, Executive Assistant to Civil Administrator	31 May 71
James W. Shinn, International Relations Officer, Liaison Department	10 Jun 71
Jessie D. Shokes, Management Analysis Officer, Comptroller Department	13 Jun 71
Lt. Col. Perry E. Peters, Community Relations Officer, Public Affairs Department	23 Jun 71

APPENDIX V

STATISTICS AND DATA SUPPORTING TEXT MATERIAL

TABLE 1

U.S. LAND RENTAL PAYMENTS

<u>Period</u>	<u>Rental Deposited</u>	<u>Rental Paid as of 30 June 1971</u>	<u>Percentage Paid</u>
TOTAL	<u>\$88,316,040.94</u>	<u>\$87,353,353.27</u>	<u>98.90</u>
FY 1959	5,566,010.81	5,557,937.13	99.85
FY 1960	4,893,009.65	4,885,413.91	99.84
FY 1961	4,651,261.30	4,643,302.64	99.82
FY 1962	4,191,604.98	4,178,829.24	99.69
FY 1963	3,922,655.84	3,908,274.12	99.63
FY 1964	4,320,730.55	4,304,542.52	99.62
FY 1965	4,379,045.34	4,362,009.05	99.61
FY 1966	4,360,885.58	4,340,868.60	99.54
FY 1967	4,426,949.04	4,404,298.11	99.48
FY 1968	4,511,280.92	4,490,542.37	99.54
FY 1969	6,522,754.28	6,489,419.73	99.48
FY 1970	9,810,058.70	9,438,753.36	96.21
FY 1971	9,530,183.40	9,128,184.30	95.78
10-Year Prepaid	6,969,447.17	6,966,766.26	99.96
9-Year Prepaid	3,396,684.92	3,396,763.90	99.99
8-Year Prepaid	4,144,053.92	4,140,227.51	99.90
7-Year Prepaid	1,960,181.45	1,960,030.53	99.99
6-Year Prepaid	759,243.09	757,189.99	99.73

TABLE 2

PAYMENT OF U.S. ANNUAL AND PREPAID LAND RENTALS
(As of June 1971)

<u>SHI-CHO-SQN</u>	<u>FY 59 - FY 70</u>	<u>FY 71</u>	<u>10-Year Prepaid - 6-Year Prepaid</u>	<u>Total</u>
Chatan	\$ 3,879,279.21	\$ 590,410.80	\$ 1,228,302.02	\$ 5,697,992.03
Chinen	26,893.21	5,080.36	9,321.91	41,295.48
Ginowan	4,304,808.43	585,419.44	833,575.30	5,723,803.17
Ginoza	1,470,486.57	188,610.24	129,666.94	1,788,763.75
Gushichan	89,322.29	46,290.39	113,224.89	248,837.57
Gushikawa	2,196,564.85	292,165.02	597,552.96	3,086,282.83
Gushikawa (Kume)	5,790.64	2,425.79	13,741.11	21,957.54
Gusukube (Miyako)	845.35	542.76	3,025.90	4,414.01
Haebaru	25,874.67	5,385.02	29,220.99	60,480.68
Higashi	6,851.31	707.62	40,283.70	47,842.63
Hirara (Miyako)	4,184.48	424.66	-	4,609.14
Ie	2,287,003.00	194,484.85	986,297.17	3,467,785.02
Ishigaki	108,118.93	11,596.51	233.55	119,948.99
Ishikawa	922,531.49	139,202.20	321,078.13	1,382,811.82
Itoman	75,343.85	13,127.81	38,552.27	127,023.93
Kadena	5,020,452.12	747,450.94	1,380,027.69	7,147,930.75
Kamimotobu	559,420.27	122,997.08	631,932.18	1,314,349.53
Katsuren	825,062.48	99,564.83	55,022.80	979,650.11
Kin	2,445,586.08	312,885.66	281,247.58	3,039,719.32
Kitanakagusuku	1,531,507.98	205,854.78	258,268.32	1,995,631.08
Kochinda	32,715.48	5,156.36	14,907.26	52,779.10
Koza	4,662,016.37	811,728.68	1,432,364.03	6,906,109.08
Kunigami	159,027.19	37,568.41	173,851.55	370,447.15
Misato	2,450,707.50	281,210.67	911,688.35	3,643,606.52
Motobu	73,539.40	6,478.72	36,634.05	116,652.17
Nago	1,424,590.29	241,916.24	535,075.82	2,201,582.35
Naha	10,671,687.42	1,957,164.99	3,792,116.48	16,420,968.89
Nakagusuku	295,265.45	28,729.01	5,726.34	329,720.80
Nakazato (Kume)	4,224.37	1,699.21	8,751.72	14,675.30
Nishihara	30,588.61	4,057.99	1,810.10	36,456.70
Ogimi	1,161.88	472.12	-	1,634.00
Onna	1,718,775.18	196,146.43	81,580.93	1,996,502.54
Ozato	7,019.33	1,622.81	5,375.06	14,017.20
Sashiki	74,324.73	9,506.25	12,635.49	96,466.47
Tamagusuku	322,310.48	88,748.07	308,223.42	719,281.97
Tokashiki	24,174.63	3,140.74	526.14	27,841.51
Tomigusuku	59,156.19	12,159.64	32,196.38	103,512.21
Tonaki	24,425.33	2,749.69	-	27,175.02
Yomitan	7,136,549.89	1,066,057.01	2,268,293.62	10,470,900.52
Yonabaru	72,353.24	11,166.17	15,493.14	99,012.55
Yonagusuku	61,246.31	3,654.52	8,115.71	73,016.54
Ueno	4,132.33	2,264.98	14,214.40	20,611.71
Urasoe	1,536,691.50	288,802.61	610,822.79	2,436,316.90
Subtotal	<u>\$56,632,610.31</u>	<u>\$8,626,828.08</u>	<u>\$17,220,978.19</u>	<u>\$82,480,416.58</u>
Declaration of Taking	<u>\$ 4,371,580.47</u>	<u>\$ 501,356.22</u>	<u>\$ -</u>	<u>\$ 4,872,936.69</u>
Grand Total	<u>\$61,004,190.78</u>	<u>\$9,128,184.30</u>	<u>\$17,220,978.19</u>	<u>\$87,353,353.27</u>

TABLE 3

CRIMINAL CODE VIOLATIONS

	FY 1970			FY 1971		
	Known Offenses	Cases Cleared by Arrest	No. of Persons Arrested	Known Offenses	Cases Cleared by Arrest	No. of Persons Arrested
TOTAL	<u>15,464</u>	<u>9,306</u>	<u>7,011</u>	<u>12,704</u>	<u>8,112</u>	<u>5,939</u>
Murder	29	27	27	29	28	30
Rape	124	110	139	110	97	126
Robbery	163	109	136	214	157	108
Arson	35	29	68	33	27	26
Assault	1,220	1,053	1,265	922	795	1,024
Intimidation	131	116	125	69	64	58
Extortion	551	391	220	410	296	213
Larceny*	9,569	4,098	1,837	8,102	4,014	1,585
Stolen Goods	66	67	55	48	48	42
Fraud	793	689	275	375	324	204
Embezzlement	67	60	50	42	37	27
Forgery	37	36	13	32	32	24
Misfeasance	6	4	4	6	7	9
Gambling	68	67	321	57	60**	240
Public Indecency	60	59	47	36	36	52
Obstruction of Justice	73	71	78	41	40	44
Trespassing	190	168	199	91	79	67
Property Damage	315	232	178	212	151	168
Others	1,967	1,920	1,974	1,875	1,820	1,892

*Includes burglary, pickpocketing, shoplifting, and auto theft.

** Includes offenses committed in previous years.

TABLE 4

CRIMINAL CODE VIOLATIONS
(Breakdown by Age and Sex)

	FY 1971			Breakdown of Persons Arrested			
	Known Offenses	Cases Cleared by Arrest	No. of Persons Arrested	Adult		Juvenile	
				Male	Female	Male	Female
TOTAL	12,704	8,112	5,939	3,690	206	1,921	122
Murder	29	28	30	19	3	7	1
Rape	110	97	126	77	0	49	0
Robbery	214	157	108	57	0	49	2
Arson	33	27	26	16	1	9	0
Assault & Battery	166	157	195	120	0	74	1
Bodily Injury	756	638	829	575	18	235	1
Intimidation	69	64	58	48	2	8	0
Extortion	410	296	213	93	1	118	1
Armed Assembly	4	4	20	10	1	9	0
Larceny	8,102	4,014	1,585	526	41	923	95
Dealing in Stolen Goods	48	48	42	31	1	10	0
Fraud	375	324	204	170	18	12	4
Embezzlement	42	37	27	25	1	1	0
Forgery	32	32	24	14	8	2	0
Bribery	6	6	7	7	0	0	0
Misfeasance	0	1	2	2	0	0	0
Offenses Due to Negligence	1,770	1,717	1,718	1,356	65	290	7
Gambling	57	60	240	200	25	14	1
Public Indecency	36	36	52	30	9	10	3
Obstruction of Justice	41	40	44	35	1	8	0
Trespassing	91	79	67	46	0	21	0
Property Damage	212	151	168	120	0	48	0
Others	101	99	154	113	11	24	6

TABLE 5

EXITS

	<u>FY 1970</u>	<u>FY 1971</u>	<u>Increase</u>	
			<u>Number</u>	<u>Percentage</u>
Ryukyuan	155,633	183,390	27,757	17.8
Japanese	133,803	152,746	18,943	14.2
U.S.	39,904	41,162	1,258	3.2
Chinese	5,090	5,534	444	8.7
Filipino	2,714	2,792	78	2.9
British	672	743	71	10.6
Others	<u>2,969</u>	<u>3,064</u>	<u>95</u>	<u>3.2</u>
Total Exits	340,785	389,431	48,646	14.3

ENTRIES

Ryukyuan	128,896	168,982	40,086	31.1
Japanese	137,175	156,700	19,525	14.2
U.S.	42,499	43,538	1,039	2.4
Chinese	4,868	5,622	754	15.5
Filipino	2,717	2,835	118	4.3
British	666	707	41	6.2
Others	<u>3,164</u>	<u>3,177</u>	<u>13</u>	<u>0.4</u>
Total Entries	<u>319,985</u>	<u>381,561</u>	<u>61,576</u>	<u>19.2</u>
Grand Total	<u>660,770</u>	<u>770,992</u>	<u>110,222</u>	<u>16.7</u>

TABLE 6

NUMBER OF REGISTERED ALIENS BY COUNTRY AND RESIDENTIAL STATUS
(As of June 1971)

Country	Official	Temporary Visitors	Commercial Entrants	Technical Entrants	Contractor Employees	Semi-Permanent Residents	Permanent Residents	Employed by U.S. Forces	Dependents	Others 1/	Total
Argentina	0	1	0	0	0	0	2	0	13	5	21
Australia	0	2	5	0	1	0	0	2	6	5	21
Austria	0	0	0	1	0	0	0	0	0	0	1
Belgium	0	0	1	0	0	0	0	0	3	0	4
Bolivia	0	1	0	0	0	0	1	0	5	0	7
Brazil	0	11	0	2	0	0	1	0	97	14	125
Britain	0	31	8	31	0	0	8	1	89	6	174
Canada	0	5	4	4	3	0	1	1	14	4	36
China	3	115	109	619	28	52	228	24	924	36	2,138
Colombia	0	0	0	0	0	0	0	0	1	0	1
Costa Rica	0	0	0	0	0	0	0	0	2	0	2
Ecuador	0	0	0	0	0	0	0	0	2	0	2
Finland	0	0	0	0	0	0	0	0	3	0	3
France	0	0	0	0	0	0	0	0	5	0	5
Germany	0	3	0	1	1	0	0	1	17	0	23
Holland	0	0	1	0	0	0	0	0	1	0	2
India	0	15	7	45	1	0	1	0	33	1	103
Indonesia	0	1	0	0	0	0	1	0	2	2	6
Ireland	0	15	1	5	0	0	0	0	6	0	27
Israel	0	0	1	0	0	0	0	0	1	0	2
Italy	0	3	0	0	0	0	0	1	2	0	8
Korea	4	32	4	41	1	4	6	22	116	21	251
Lebanon	0	0	1	1	0	0	0	0	1	0	3
Malaysia	0	2	0	1	0	0	0	0	2	1	6
Mexico	0	0	0	0	0	0	1	0	6	0	7
New Zealand	0	0	1	0	0	0	0	0	2	0	3
Norway	0	0	0	0	0	0	0	0	1	0	1
Peru	0	19	0	0	0	0	0	0	24	7	56
Philippines	0	244	56	201	74	2	7	257	842	336	2,019
Portugal	0	0	3	4	0	0	0	0	8	0	15
Puerto Rico	0	1	0	0	0	0	0	0	0	0	1
Singapore	0	0	2	2	0	0	0	0	0	0	4
South Africa	0	0	0	1	0	0	0	0	2	1	4
Spain	0	5	1	0	0	0	0	0	4	0	10
Syria	0	1	1	1	0	0	0	0	0	0	3
Thailand	0	18	0	1	0	0	0	1	23	0	43
Trinidad	0	0	0	0	0	0	0	0	2	0	2
Trust Territory	0	1	0	0	0	0	0	0	2	1	4
Turkey	0	0	1	0	0	0	0	0	3	0	4
U.S.A.	0	1,310	176	197	133	1	14	0	5,066	694	7,591
Vietnam	0	4	0	2	0	0	0	0	2	0	8
Western Samoa	0	0	0	0	0	0	0	0	0	1	1
Stateless	0	0	0	0	0	0	1	1	4	3	9
Unknown	0	0	0	0	0	1	6	0	0	0	7
Total	7	1,840	383	1,160	242	60	284	311	7,336	1,140	12,763
Japan 2/											17,433
Grand Total											30,196

1/ Others include: 267 special residents, 25 scholars on research and cultural missions, 313 retired U.S. military and DAC personnel, 223 missionaries, 312 entertainers. 2/ No breakdown available.

TABLE 7
RYUKYU ISLANDS SELECTED ECONOMIC INDICATORS

				Percent Change Over Previous Year	
	FY 1969	FY 1970	FY 1971	FY 70	FY 71
	(In Millions of Dollars)				
Gross National Expenditure at Market Prices ¹	721.0	850.7	985.3	18.0	15.8
Private Consumption Expenditure	415.7	476.0	536.7	14.5	12.8
General Government Consumption Expenditure	105.6	130.5	163.8	23.6	25.5
Gross Domestic Fixed Capital Formation	238.8	324.9	448.2	36.1	38.0
Increase in Stocks (Including Statistical Discrepancy)	30.1	52.8	17.5		
Exports of Goods and Services	349.1	399.7	441.5	14.5	10.5
(Less): Imports of Goods and Services	418.3	533.2	622.4	27.5	16.7
National Income (Net National Product at Factor Cost) ^{1/}					
By Distributive Share (and % Composition)	631.5 (100.0)	743.9 (100.0)	862.4 (100.0)	17.8	15.9
Compensation of Employees	363.4 (57.5)	425.9 (57.3)	511.1 (59.3)	17.2	20.0
Income from Unincorporated Enterprises	158.9 (25.2)	192.9 (25.9)	201.8 (23.4)	21.4	4.6
Income from Property	78.9 (12.5)	91.4 (12.3)	109.4 (12.7)	15.8	19.7
Rent	52.0 (8.2)	61.4 (8.3)	71.3 (8.3)	18.1	16.1
Interest	23.5 (3.7)	27.1 (3.6)	34.3 (4.0)	15.3	26.6
Dividends	3.4 (0.5)	2.9 (0.4)	3.8 (0.4)	-14.7	31.0
Direct Taxes and Charges on Private Corporation	9.9 (1.6)	11.4 (1.5)	16.9 (2.0)	15.2	48.2
Saving of Private Corporation	15.4 (2.4)	15.3 (2.1)	15.2 (1.8)	-0.7	-0.7
General Government Income from Property and Entrepreneurship	5.0 (0.8)	7.0 (0.9)	8.0 (0.9)	40.0	14.3
By Industrial Origin (and % Composition)	631.5 (100.0)	743.9 (100.0)	862.4 (100.0)	17.8	15.9
Primary Industries	62.3 (9.9)	65.5 (8.8)	65.3 (7.6)	5.1	-0.3
Agriculture and Forestry	54.7 (8.7)	56.3 (7.6)	55.0 (6.4)	2.9	-2.3
Fisheries	7.6 (1.2)	9.1 (1.2)	10.4 (1.2)	19.7	14.3
Secondary Industries	111.6 (17.7)	132.8 (17.9)	156.0 (18.1)	19.0	17.5
Manufacturing and Mining	63.4 (10.0)	73.1 (9.8)	80.3 (9.3)	15.3	9.8
Construction	48.1 (7.6)	59.7 (8.0)	75.7 (8.8)	24.1	26.8
Tertiary Industries	457.7 (72.5)	545.7 (73.4)	641.1 (74.3)	19.2	17.5
Electricity, Gas, Water Supply, Transportation and Communication	48.3 (7.6)	53.6 (7.2)	65.1 (7.5)	11.0	21.5
Wholesale & Retail Trade	121.1 (19.2)	161.6 (21.7)	182.3 (21.1)	33.4	12.8
Finance, Insurance and Real Estate	78.4 (12.4)	93.3 (12.5)	108.1 (12.5)	19.0	15.9
Services	60.3 (9.5)	71.0 (9.5)	84.0 (9.7)	17.7	18.3
Government	82.5 (13.1)	93.1 (12.5)	120.9 (14.0)	12.8	29.9
Compensation of U.S. Forces Employees	67.1 (10.6)	73.1 (9.8)	80.8 (9.4)	8.9	10.5
Foreign Receipts and Payments (Excluding Capital Transaction)					
Receipts, Total	411.7	477.3	548.7	15.9	15.0
Exports of Goods and Services	349.1	399.7	441.5	14.5	10.5
Merchandise Exports	89.8	106.7	120.7	18.8	13.1
General Exports (FOB)	87.5	103.8	118.4	18.6	14.1
Other (Sales from Free Trade Zone)	2.3	2.9	2.3	26.1	-20.7
Services and General Remittances	50.1	64.8	81.1	29.3	25.2
Expenditures by U.S. Government and Personnel	209.2	228.2	239.7	9.1	5.0
Expenditures by Military Units With Appropriated Funds	108.5	111.6	108.9	2.9	-2.4
Expenditures by Nonappropriated Fund Activities	31.4	31.8	32.0	1.3	0.6
Direct Purchases on Economy	69.3	84.9	98.8	22.5	16.4
Unilateral Transfers Received	62.6	77.6	107.2	24.0	38.1
Transfers to General Government	45.5	57.8	85.3	27.0	47.6
Cash Contribution	41.1	52.4	81.6	27.5	55.7
Goods and Services	4.4	5.4	3.7	22.7	-31.5
Transfers to Households and Nonprofit Institution	17.1	19.8	21.9	15.8	10.6
Cash Contribution	15.5	17.5	21.0	12.9	20.0
Goods And Services	1.6	2.3	0.9	43.8	-60.9
Payments, Total	418.3	533.2	622.4	27.5	16.7
Imports of Goods and Services	418.3	533.2	622.4	27.5	16.7
Merchandise Imports (CIF)	378.1	481.9	562.0	27.5	16.6
Custom-Based Imports	371.6	477.3	559.5	28.4	17.2
Non-Custom Base	6.4	4.7	2.6	-26.6	-44.7
POL Imports	3.4	0.9	0.7	-73.5	-22.2
Imports into Free Trade Zone	3.0	3.8	1.9	26.7	-50.0
Services and General Remittances	34.2	43.6	55.8	27.5	28.0
Counter Entry for Goods and Services	6.0	7.7	4.6	28.3	40.3
Net Lending to the Rest of the World	-6.6	-55.9	-73.7		

TABLE 7
RYUKYU ISLANDS SELECTED ECONOMIC INDICATORS (Continued)

	FY 1969	FY 1970	FY 1971	Percent Change Over Previous Year	
	(In Millions of Dollars)			FY 70	FY 71
<u>Capital Formation</u>					
Gross Domestic Fixed Capital Formation	238.8	324.9	448.2	36.1	38.0
By Private	192.9	276.4	374.1	43.3	35.3
Residential New Construction	46.5	73.0	120.7	57.0	65.3
Other Construction	65.4	88.2	112.9	34.9	28.0
Producers' Durable Equipment	81.1	115.2	140.4	42.0	21.9
By Government	45.9	48.5	74.1	5.7	52.8
<u>Disposable Personal Income and Personal Savings 1/</u>					
Disposable Personal Income	598.0	707.6	811.2	18.3	14.6
Personal Saving	182.3	231.6	274.5	27.0	18.5
<u>Consumers' Price Index (Naha: Average CY 1965 = 100.0)</u>					
General Index	119.7	127.5	133.8	6.5	4.9
All Food	121.1	130.5	134.1	7.8	2.8
Staple Food	127.1	127.2	127.7	0.1	0.4
Nonstaple Food	119.7	131.2	135.6	9.6	3.4
Clothing	107.4	109.9	114.6	2.3	4.3
Fuel & Light	99.6	100.0	101.5	0.4	1.5
Housing	125.6	139.7	148.5	11.2	6.3
Miscellaneous	122.2	126.2	139.0	3.3	10.1
<u>Population and Labor Force (Annual Averages) 1/</u>					
		(Thousand Persons)			
Population	958	955	951	-0.3	-0.4
Labor Force	417	411	392	-1.4	-4.6
Employed (and % Composition) 2/	414	408	387	-1.5	-5.1
Primary Industries	124	115	98	-7.3	-14.8
Agriculture & Forestry	120	110	93	-8.3	-15.5
Fisheries	4	5	4	25.0	-20.0
Secondary Industries	68	72	70	5.9	-2.8
Manufacturing 3/	35	35	32	0	-8.6
Construction	33	36	38	9.1	5.6
Tertiary Industries	222	221	220	-0.5	-0.5
Commerce, Finance, Insurance and Real Estate	85	85	86	0	1.2
Electricity, Gas, Water Supply, Transporta- tion and Communication	22	20	21	-9.1	5.0
Services 4/	41	44	43	7.3	-2.3
Government 4/	35	35	36	0	2.9
U.S. Forces	40	37	34	-7.5	-8.1
Unemployed	3	4	5	33.3	25.0
<u>Financial Situation at End of Fiscal Year</u>					
		(In Millions of Dollars)			
Active Money Supply 5/	177.0	225.6	311.1	27.5	37.9
Deposit Liabilities of Financial Institutions	378.8	483.0	658.1	27.5	36.3
Private Demand Deposits 6/	119.0	146.4	186.4	23.0	27.3
Private Time and Installment Deposits	194.0	256.4	356.3	32.2	39.0
Other Deposits 7/	65.9	80.2	115.3	21.7	43.8
Outstanding Loans of Financial Institutions	357.0	430.9	561.8	20.7	30.4
Agriculture & Forestry	18.5	21.4	20.6	15.7	-3.7
Fisheries	10.0	11.5	15.1	15.0	31.3
Construction	27.2	32.8	46.2	20.6	40.9
Manufacturing	69.6	80.9	99.7	16.2	23.2
Public Utilities	8.2	10.8	13.3	31.7	23.1
Wholesale & Retail Sales	98.8	122.9	156.6	24.4	27.4
Real Estate	9.2	10.7	11.6	16.3	8.4
Services	32.7	38.8	55.8	18.7	43.8
Transportation & Communication	15.0	16.8	23.4	12.0	39.3
Finance & Insurance	1.2	1.1	0.6	-8.3	-45.5
Others	66.6	83.3	119.1	25.1	43.0

Notes:

- 1/ Data revised retroactively to FY 1967. Population base is now the 1970 population census.
- 2/ Due to rounding, detail does not in all cases add up to total.
- 3/ Includes mining enterprises, but the total of these is negligible.
- 4/ Differs from other published data by including schoolteachers in Government rather than services.
- 5/ Currency in circulation and private demand deposits with Ryukyuan financial institutions.
- 6/ Private checking accounts and private ordinary savings (which in the Ryukyus are available on demand). Deposits of U.S. Forces personnel excluded.
- 7/ Government deposits, foreign bank deposits, etc.

TABLE 8

U.S. ECONOMIC AID TO RYUKYU ISLANDS
RESOURCES AND APPLICATIONS 1/
(In thousands of dollars)

<u>Resources:</u>	FY 1971 <u>Actual</u>
U.S. Aid-Administration Ryukyu Islands, Army	\$ 3,362
USCAR General Fund	<u>15,686</u>
Total Resources	<u>\$19,048</u>
 <u>Application of Resources:</u>	
Grants to Government of the Ryukyu Islands	\$ 2,270
Special Assistance to Municipalities	509
Disaster Relief Program	39
Technical Education and Training Program	577
Technical Cooperation	515
Contribution to Island Sewer System	1,938
Ryukyuan Scholarship	272
English Language Center	155
RPC Civic Action Projects	24
Preplanning and Other Activities	71
Other Economic Development and Public Works	3,434
 Investments in USCAR Business Operations:	
a. Fixed Assets, Petroleum Facilities	78
b. Capital, Ryukyu Development Loan Corporation	2,367
c. Capital, Ryukyu Electric Power Corporation	4,245
d. Capital, Ryukyu Domestic Water Corporation	463
Contribution to Water Systems	<u>2,091</u>
Total Application of Resources	<u>\$19,048</u>

1/ On obligation basis.

TABLE 9
 RECAPITULATION OF UNITED STATES APPROPRIATED FUNDS FOR THE RYUKYU ISLANDS
 FY 1947 - FY 1971
 (In thousands of dollars)

Purpose	Fiscal Year											
	1947-1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
RAND TOTAL, APPROPRIATED FUNDS	<u>\$56,554</u>	<u>\$51,988</u>	<u>\$39,631</u>	<u>\$15,122</u>	<u>\$10,830</u>	<u>\$2,845</u>	<u>\$3,016</u>	<u>\$2,907</u>	<u>\$2,273</u>	<u>\$2,545</u>	<u>\$4,712</u>	<u>\$5,676</u>
TOTAL, ECONOMIC ASSISTANCE	<u>48,065</u>	<u>49,581</u>	<u>36,745</u>	<u>13,257</u>	<u>9,220</u>	<u>1,741</u>	<u>1,904</u>	<u>1,678</u>	<u>1,025</u>	<u>1,111</u>	<u>3,183</u>	<u>3,745</u>
Cash Contributions:	-	-	-	-	-	-	275	500	500	500	500	645
GRI Services	-	-	-	-	-	-	820	600	250	70	350	790
GRI Projects:	-	-	-	-	-	-	-	-	-	150	480	-
Educational Facilities	-	-	-	-	-	-	-	-	-	50	170	-
Public Health and Medical Program	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Social Welfare Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Public Works and Economic Development	-	-	-	-	-	-	475	385	-	-	-	-
Benefits for Teachers	-	-	-	-	-	-	-	-	-	-	-	1,564
Cultural Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Central Bank for	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture, Forestry and Fisheries	-	-	-	-	-	-	-	-	-	-	-	-
Disaster Relief	-	-	-	-	-	-	-	-	-	-	-	-
Construction Projects:	-	5,000	2,000	73	-	-	-	-	-	53	1,146	284
Electric Power Facilities	-	200	1,469	-	-	-	-	-	-	-	247	126
Water Facilities	774	13,798	8,986	2,696	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Goods	42,190	26,276	23,259	8,710	7,651	848	-	-	-	-	-	-
Transportation of Civilian Supplies	5,101	4,142	791	1,415	1,173	680	65	90	39	5	8	2
Technical Cooperation	-	-	57	54	60	53	77	77	73	80	80	80
Technical Education and Training	-	165	183	309	336	160	192	26	163	203	202	254
CONSTRUCTION, USCAR FACILITIES	-	-	-	-	-	-	-	-	-	-	-	300
TOTAL, ADMINISTRATION, U.S. CIVIL ADMINISTRATION	<u>8,482</u>	<u>2,407</u>	<u>2,886</u>	<u>1,862</u>	<u>1,610</u>	<u>1,104</u>	<u>1,112</u>	<u>1,222</u>	<u>1,248</u>	<u>1,434</u>	<u>1,529</u>	<u>1,931</u>
Pay, Civilian Employees, RI	6,835	1,695	2,213	1,610	1,182	826	794	926	898	1,128	1,157	1,324
Pay, Civilian Employees, DA	-	-	-	-	184	77	60	50	50	53	57	58
Travel, Civilian Employees	259	47	52	13	16	17	13	16	30	52	71	76
Information Supplies and Materials	578	415	349	240	225	182	175	174	173	101	126	71
Incidental Operating Expenses	817	118	272	2	3	2	70	64	96	100	118	102
Other	-	132	-	-	-	-	-	-	-	-	-	-

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TABLE 9
RECAPITULATION OF UNITED STATES APPROPRIATED FUNDS FOR THE RYUKYU ISLANDS (Continued)
(In thousands of dollars)

Purpose	Fiscal Year											Total (1947-1971)
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	
GRAND TOTAL, APPROPRIATED FUNDS	\$6,089	\$7,174	\$8,945	\$9,994	\$14,357	\$14,767	\$14,932	\$15,042	\$18,910	\$20,891	\$6,723	\$335,926
TOTAL, ECONOMIC ASSISTANCE	4,320	5,457	6,943	7,859	11,990	11,997	11,994	11,974	15,641	17,491	3,362	280,286
Cash Contributions:	825	927	945	1,050	1,200	1,200	1,200	1,200	1,500	1,500	1,650	16,117
GRI Services	1,075	1,130	1,337	1,123	1,340	1,969	3,301	3,155	3,216	2,410	-	22,936
GRI Projects:	475	424	1,212	589	894	993	1,102	655	1,044	1,405	620	10,043
Education Facilities	-	-	50	50	140	141	60	60	167	235	-	1,123
Public Health and Medical Program	-	-	25	-	78	-	395	883	1,310	240	-	2,931
Public Safety Facilities	-	-	1,630	1,433	1,844	2,331	1,785	1,928	2,142	3,520	-	22,085
Social Welfare Facilities	1,549	1,499	1,000	1,000	1,000	1,000	1,000	1,000	4,153	6,000	-	17,153
Public Works and Economic Development	-	1,000	-	150	4	-	-	-	-	-	-	154
Benefits for Teachers	-	-	-	-	-	-	-	-	-	-	-	-
Cultural Facilities	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Central Bank for	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture, Forestry and Fisheries	-	-	365	-	-	-	-	-	-	-	-	365
Sewerage System	-	-	-	-	499	2,821	1,215	1,200	-	-	-	5,735
Disaster Relief	-	-	-	-	-	-	-	-	-	-	-	-
Construction Projects:	24	(15) 1/2	-	-	-	-	-	-	-	-	-	8,565
Electric Power Facilities	(3)	107	-	2,000	4,000	-	-	-	-	-	-	8,146
Water Facilities	-	-	-	-	-	-	-	-	-	-	-	26,254
Other	-	-	-	-	-	-	-	-	-	-	-	-
Goods 2/	-	-	-	-	-	-	-	-	-	-	-	108,934
Transportation of Civilian Supplies	5	7	4	5	5	4	5	5	5	1	-	13,557
Technical Cooperation	109	107	113	173	279	702	965	848	991	1,126	515	6,619
Technical Education and Training	261	271	262	286	707	836	966	1,040	1,113	1,054	577	9,566
CONSTRUCTION, USCAR FACILITIES	50	-	-	-	-	-	-	-	-	-	-	350
TOTAL, ADMINISTRATION, U.S. CIVIL ADMINISTRATION	1,719	1,717	2,002	2,135	2,367	2,770	2,938	3,068	3,269	3,400	3,361	55,290
Pay, Civilian Employees, RI	1,397	1,406	1,604	1,665	1,794	2,285	2,433	2,599	2,745	3,000	3,028	44,544
Pay, Civilian Employees, DA	66	62	65	72	82	91	95	99	100	-	-	1,321
Travel, Civilian Employees	89	83	82	95	97	102	115	111	116	94	121	1,767
Information Supplies and Materials	74	75	101	127	164	147	146	116	125	123	50	4,058
Incidental Operating Expenses	93	91	150	176	230	145	149	143	183	183	162	3,468
Other	-	-	-	-	-	-	-	-	-	-	-	132

1/ Excludes \$10.5 million U.S. Treasury loan to Ryukyu Electric Power Corporation for construction of power plant.

2/ Details of this program are shown in Vol IX, No. 1, pages 94 and 95.

Source: Comptroller Department, USCAR

TABLE 10

UNITED STATES CIVIL ADMINISTRATION OF THE RYUKYU ISLANDS
COMPARATIVE STATEMENT OF FINANCIAL CONDITION
GENERAL FUND

	<u>30 June 70</u> <u>Actual</u>	<u>30 June 71</u> <u>Actual</u>
Assets:		
Current Assets:		
Cash		
Interest-Bearing Accounts	\$ 9,860,000	\$ 11,360,000
Checking Account	425,152	1,359,237
Accrued Interest Receivable	153,164	113,173
Total Current Assets	<u>10,438,316</u>	<u>12,832,410</u>
Investments:		
Wholly Owned Corporations:		
Ryukyu Development Loan Corporation	51,451,177	54,018,402
Ryukyu Electric Power Corporation	36,227,260	41,460,436
Ryukyu Domestic Water Corporation	30,960,388	34,124,194
51%-Owned Company (investment cost only):		
Bank of the Ryukyus	280,500	280,500
Other Investments:		
Petroleum Distribution Fund	<u>3,645,301</u>	<u>2,459,592</u>
Total Investments:	<u>\$122,564,626</u>	<u>\$132,343,124</u>
Fixed Assets:		
Petroleum Facilities	<u>\$ 3,236,891</u>	<u>\$ 3,264,893</u>
Total Assets	<u>\$136,239,833</u>	<u>\$148,440,428</u>
Net Worth, United States Civil Administration	<u>\$136,239,833</u>	<u>\$148,440,428</u>

TABLE 11

FOREIGN INVESTMENTS LICENSED BY THE GOVERNMENT OF THE RYUKYUS
 (Cumulative total as of 30 June 1971)
 (In thousands of dollars)

Type of Activity	United States		Japan		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
TOTAL	115	\$172,439.3	137	\$243,031.9	125	\$3,101.2	377	\$418,572.5
Sugar Manufacturing	-	-	13	3,345	-	-	13	3,345
Pineapple Canning	-	-	13	713	-	-	13	713
Forestry and Horticulture	-	-	5	1,132	7	116	12	1,248
Livestock and Poultry	7	1,005	4	193	4	114	15	1,312
Fishing and Fish Culture	1	7.1	3	366.3	3	71	7	444.4
Cement and Cement Products	3	2,626	1	120	-	-	4	2,746
Chemical Industry	6	366	4	102	-	-	10	468
Petroleum Industry	5	155,828	1	800	-	-	6	156,628
Aluminum Industry	-	-	1	230,000	-	-	1	230,000
Electronic Industry	1	1,600	-	-	-	-	1	1,600
Metal Industry	1	50	8	381.3	-	-	9	431.3
Plywood Industry	1	911	-	-	-	-	1	911
Particle Board Industry	-	-	1	250	-	-	1	250
Furniture Industry	1	5	2	13	5	67	8	85
Leather Products Manufacturing	-	-	-	-	7	100.5	7	100.5
Textile Products Manufacturing	-	-	9	469	21	281	30	750
Plastic Products Manufacturing	-	-	2	64.5	2	14.1	4	78.7
Soft Drink Bottling	5	1,560	1	500	-	-	6	2,060
Liquor Distillers	-	-	3	173	-	-	3	173
Dairy Products	1	847.5	2	135	-	-	3	982.5
Service Industries	4	429	1	5	5	54	10	488
Miscellaneous Manufacturing	5	639.5	13	503	7	242	25	1,384.5
Import and Export	13	2,218	9	366.3	15	1,015.6	37	3,599.9
Retail Stores	-	-	2	255	5	469	7	724
Transportation	8	127.2	5	466	4	234	17	827.2
Broadcasting, Publishing, and Advertising Industries	8	158	7	178.5	2	51	17	387.5
Tourist Hotels	4	1,535	3	1,158	-	-	7	2,693
Miscellaneous Tourist Facilities	7	267	4	694	5	49	16	1,010
Tourist Souvenir Manufacturing	3	180	3	98	3	20	9	298
Specialized Professional Services	17	805	14	400	27	187	58	1,392
Insurance	3	20	1	16	3	16	7	52
Banking	2	-	-	-	-	-	2	-
Rental Housing	9	1,255	2	135	-	-	11	1,390

TABLE 12

HISTORY OF GRI TAX COLLECTIONS
(In thousands of dollars)

	Individual Income Tax	Corporate Income Tax	Motor Vehicle Tax	Liquor Excise Tax	Tobacco Tax	Imported Sugar Tax	Soft Drink Tax	Commodity Tax	POL 1/ Tax	Travel Tax	Stamp Tax	Amusement & Enter- tainment	Other Taxes	TOTAL GRI Taxes
FY 1953	\$ 1,933	\$ 218	\$ 29	\$ 1,707	\$1,020	\$ 391	\$ 225	\$ 390	\$ -	\$ 375	\$ 242	\$ 375	\$172	\$ 7,075
FY 1954	2,659	839	92	1,657	1,550	391	253	479	-	479	371	423	12	9,204
FY 1955	3,106	765	117	1,859	1,337	590	205	495	-	412	352	416	10	9,663
FY 1956	3,268	1,153	118	2,544	2,014	561	342	930	-	490	459	436	10	12,324
FY 1957	3,671	1,552	147	2,845	2,029	441	339	1,823	-	600	562	408	12	14,431
FY 1958	3,467	2,230	174	3,164	2,128	202	353	1,731	-	756	557	446	20	15,229
FY 1959	3,388	2,541	211	3,163	2,388	400	357	1,638	-	895	629	515	22	16,148
FY 1960	4,877	2,750	221	3,190	1,769	1,046	346	2,132	-	1,002	750	544	29	18,656
FY 1961	5,182	2,786	241	3,350	1,881	1,068	423	2,938	-	1,106	798	466	35	20,273
FY 1962	6,798	3,597	286	4,047	2,347	1,148	489	3,320	-	1,250	934	483	38	24,738
FY 1963	9,069	4,242	303	4,485	2,517	1,301	590	4,058	-	1,331	1,101	571	43	29,610
FY 1964	11,555	5,676	487	4,873	2,463	901	707	4,410	-	1,950	1,135	597	41	34,795
FY 1965	12,625	6,468	854	4,999	2,728	1,078	716	4,633	-	2,352	1,434	722	42	38,651
FY 1966	17,196	6,673	1,119	5,854	2,853	1,234	845	6,546	-	2,604	1,810	893	42	47,669
FY 1967	18,417	8,609	1,487	7,022	3,672	1,396	1,094	8,923	3,033	1,940	1,857	1,166	37	58,653
FY 1968	21,330	9,828	1,957	8,218	4,470	1,642	1,366	11,831	4,260	2,084	1,915	1,434	39	70,374
FY 1969	19,204	10,621	2,299	7,749	4,022	1,509	1,595	13,330	8,204	529	2,424	1,477	33	72,995
FY 1970	19,441	11,637	2,411	9,363	4,750	1,962	1,708	16,250	10,164	298	3,718	1,728	115	83,545
FY 1971	22,528	14,117	398	10,476	4,889	2,094	2,201	18,716	10,659	362	6,850	1,916	546	95,752

1/ POL Tax was established in FY 1967.

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